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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 28,973 Friday January 14 1983 D 8523 B

Reagan's sudden conversion on economy, Page 12

NEWS SUMMARY

GENERAL

Lebanon begins talks with Israel

Talks on Israeli withdrawal from Lebanon began in earnest yesterday following agreement on an agenda.

The breakthrough came at the sixth negotiating session, held at Kiryat Shmoneh, northern Israel, when the Lebanese agreed to include discussion of "mutual relations" on the agenda.

Lebanon had objected to Israel's demand that "normalisation of relations" be included, but accepted the U.S. mediators' proposal for discussions on a "framework for mutual relations." Page 14

Electrician Walesa

Lech Walesa, leader of the banned Solidarity union, said he would return to Gdansk's Lenin shipyards today to resume his job as an electrician.

Soviet chief named

Nikolai Slyunkov, a deputy chairman of the Soviet state planning committee, was named party chief of the Soviet republic of Byelorussia.

'Put police on trial'

Italian judge Vittorio Borraccetti called for the trial of five policemen alleged to have tortured Red Brigades who kidnapped U.S. general James Dozier last year.

Fighter pilot forgot

The pilot of an RAF fighter who shot down another British plane over West Germany last May said he had forgotten his aircraft was carrying live missiles.

Calvi case reopened

The family of Italian banker Roberto Calvi, found hanging under a bridge in London last June, has been granted leave to appeal against a verdict that he committed suicide. Page 14

Thailand incursion

Vietnamese troops crossed briefly into Thailand during fighting with Khmer guerrillas in west Kampuchea. Page 3

Bolivian truck crash

Fifty peasant farmers were killed when their truck plunged off a mountain road in the rain near Epizana, Bolivia.

Petitions rejected

West Germany's federal constitutional court rejected petitions from two lawyers to stop the general elections set for March 6.

Top Iranian held

Sadeq Tabatabai, a former Iranian deputy premier related by marriage to Ayatollah Khomeini was arrested in Düsseldorf, West Germany on suspicion of drug trafficking.

Skeleton key

Danish researchers found a medieval skeleton with signs of syphilis, which may prove Christopher Columbus' sailors did not bring the disease to Europe.

Briefly ...

Twelve metre tidal wave struck Anjouan Island in the Indian Ocean's Comoros archipelago.

U.S. Assistant Secretary of State Chester Crocker held talks with President Machel of Mozambique.

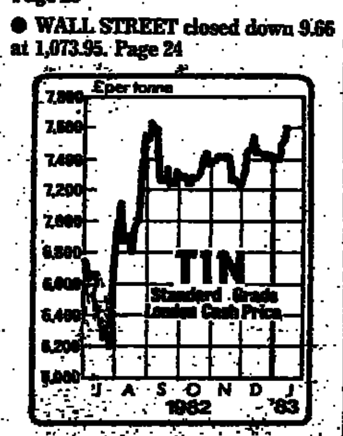
France's President Francois Mitterrand arrived in Togo for the start of a three-country African tour.

Soviet writer Georgy Vladimov asked permission to emigrate to the West.

BUSINESS

Gold at 20-month high in London

- GOLD rose $6 to $487.5 on the London bullion market yesterday, its highest since May 1981. In Frankfurt, it was up $6.25 at $487.5 and in Zurich up $7 at $488.5. Page 23
- STERLING rose 40 points to $1.5795, but fell to DM 3.705 (DM 3.7225), SwFr 3.035 (SwFr 3.0675), FFr 10.5025 (FFr 10.545) and Y362.5 (Y363.5). Its trade-weighted index slipped 0.1 to 81.3. Page 30
- DOLLAR fell to DM 2.3435 (DM 2.3615), SwFr 1.921 (SwFr 1.946), Y229.4 (Y230.4) and FFr 6.65 (FFr 6.693). Its Bank of England trade-weighted index was 116.8 (117.2). Page 30
- LONDON: FT Industrial Ordinary index rose 6.2 to 604.6. Government Securities closed a net point up on the pound's late rally. Page 25
- WALL STREET closed down 9.66 at 1,073.95. Page 24



- CASH TIN closed £98 up at £7,862.5 a tonne in London, its highest level since early September. Page 23
- TOKYO: Nikkei Dow index rose 59.21 to 8,099.06 and the Stock Exchange index was up 4.06 at 582.95. Page 24
- HONG KONG: Hang Seng index put on 10.43 to 870.32. Page 24
- AUSTRALIAN all-share index fell 0.2 to 530.9. Page 24
- FRANKFURT: Commerzbank index dropped 12.9 to 745.9. Page 24
- SPAIN has re-opened talks with Panavia, the UK-German-Italian consortium, about buying its Tornado fighter aircraft. Page 14
- SWISS draft laws may make it more difficult for foreign banks to enter the country.
- SOUTH AFRICAN banks are to cut prime lending rates by 1 point to 17 per cent. Page 3
- JAPAN announced measures aimed to ease trade friction with Europe and the U.S. Page 4
- ECUADOR is to have a quarter of its $4.8bn foreign debt refinanced by international banks. Page 4
- MOZAMBIQUE's Government opened bidding for offshore oil exploration rights. Page 3
- SWEDEN's Premier Olof Palme arrived in Norway for talks which could lead to weapons-for-electronics trade deals.
- GREECE is negotiating with France to buy 20 Mirage 2000 fighters.
- SPAIN's unemployment rate rose by 23 per cent in 1982 to 2.15m.

COMPANIES

- GULF OIL is stepping up efforts to dispose of loss-making operations in Europe. Page 5
- FERROSTAAL, the West German steel concern, had its best year ever in the 12 months to last June, with earnings of DM 25.8m ($10.9m). Page 15
- KIRSH INDUSTRIES, the unquoted South African retailing and wholesaling group, suffered large profit falls among subsidiaries in the six months to October 31, 1982. Page 15

French to host top-level meeting on world economic crisis

BY DAVID MARSH AND DAVID HOUSEGO IN PARIS

FINANCE MINISTERS from the main industrialised nations meeting in Paris next week will discuss a French-inspired plan to revive the world economy through a piecemeal approach to stimulus in individual countries, M Jacques Delors, the French Finance Minister, said yesterday.

Underlining that coordinated action was needed to prevent the world recession turning into a crisis, M Delors told the Financial Times that his proposals for countries to use their individual "room for manoeuvre" to promote growth stood a greater chance of winning acceptance now that the U.S. had awoken to the dangers posed by the international slump.

M Delors has put forward his plan – which he says would boost growth through a "positive chain-link" effect – at several international meetings over the past year, notably last spring's ministerial gathering of the Organisation for Economic Co-operation and Development. His approach is in line with the views of the OECD secretariat.

The meeting here on Tuesday of finance ministers from the "club" of the 10 leading industrial countries has been covered by M Delors in his capacity as Group of Ten chairman.

It will aim to come up with a joint approach for the plans, already well advanced, for a near-doubling of the resources of the International Monetary Fund to help steer heavily indebted Third World countries through their financial problems.

Emphasising that the string of recent efforts to patch up international debt problems were no substitute for planned action, M Delors declared: "Up to now we have played at being firemen. We would do better to become architects."

The aim of boosting the overall resources of the IMF to between SDR 110bn and SDR 120bn ($100bn–$110bn) would be achieved through a 50 to 60 per cent rise in member countries' quotas and a sizeable increase, perhaps a tripling, of the General Arrangements to Borrow, the additional financing scheme run by the Group of Ten.

The plans will be finalised when the IMF's interim committee assembles in Washington next month, probably on February 10 and 11.

Next week's meeting will bring to Paris several smaller industrial countries which may support M Delors's more expansionary views. Belgium, Canada, Italy, the Netherlands and Sweden were not present at the gathering of the Group of Five (Britain, France, West Germany, Japan and the U.S.) near Frankfurt last month.

M Delors said the Paris session had been called partly to let the other five air their views. "I am their advocate," he said.

He welcomed the change of language by the U.S. Administration in its international economic policies. A year ago, he recalled, the Americans were giving priority solely to cutting inflation and toughening the conditions attached to IMF loans.

Starting from last summer, when the U.S. took note of the consequences of the Mexican crisis, "things have started to move," M Delors said.

He said that Mr George Shultz, the U.S. Secretary of State, had discussed during his trip to Paris last month the negative effects on the world economy of a succession of IMF-engineered austerity packages among developing countries.

Developing countries registered growth of no more than 1 per cent last year, and their imports dropped 7 per cent, helping to aggravate recession in the industrialised world, M Delors said.

On currency, M Delors said he registered a glimmer of U.S. approval at the Group of Five Frankfurt meeting for the French-sponsored international study on exchange market intervention,

Continued on Page 14

Eurocredit drawing, Page 14

Shultz takes grip on arms control policy after Rostow sacking

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

Mr George Shultz, the U.S. Secretary of State, said yesterday that his department would keep a firmer grip on the collar of arms control talks with the Soviet Union in the wake of Wednesday's abrupt dismissal of Mr Eugene Rostow as chief policymaker.

He insisted, however, that the Reagan Administration's policies would go forwards "without a break" despite the major shake-up in the U.S. arms control establishment that accompanied Mr Rostow's departure as director of the Arms Control and Disarmament Agency.

Mr Shultz said that Mr Kenneth Dam, Deputy Secretary of State, would take a direct day to day role in dealing with arms control while overall policy would continue to be laid down by President Ronald Reagan.

The Secretary of State, who is unfamiliar with the more complex details of the arms negotiations [illegible] ing management role in Washing[illegible]

Mr Shultz's remarks came as the sacking of Mr Rostow was greeted with shock and dismay by Democrats and concern by Republicans other than those on the party's extreme Right wing.

Mr Jesse Helms, the arch-conservative Republican Senator from North Carolina, and one of Mr Rostow's main adversaries, was among the few to welcome the appointment of the more hard-line Mr Kenneth Adelman, current deputy U.S. ambassador to the United Nations, to the top arms control job.

Despite his initial credentials as a conservative, Mr Rostow had been for many months attacked by the Right for softness towards the Soviet Union.

Mr Larry Pressler, Republican [illegible] trol subcommittee, called the [illegible] said that arms control efforts had been "set back substantially".

Vice-president George Bush, however, said he did not see the dismissal as having any effect on the 10-day European trip he is planning later this month to discuss arms control with the U.S.'s allies.

Mr Shultz's comments seemed to mean that senior State Department officials will henceforth pay much greater attention to keeping arms control policy in line with mainstream Administration thinking.

Mr Rostow had tried to steer an independent line between those seeking an early agreement with Moscow and those privately hoping for none at all.

Democrats on Capitol Hill were unanimous in denouncing his dismissal, [illegible] concession to the ultra-right and a clear toughening of the administration's stance towards Moscow.

Reagan's purge, Page 4

Soviets set 'to talk on N-warhead balance'

By James Buchan in Bonn

THE SOVIET Union is ready to make concessions to the U.S. in negotiations on the deployment of nuclear missiles in Europe, according to Herr Hans-Jochen Vogel, the opposition candidate for the West German chancellorship in the forthcoming general elections.

Herr Vogel told a press conference in Bonn yesterday that Moscow was willing to join talks aimed at achieving an East-West balance, not only in missiles but in the number of warheads they carry, at the Intermediate Range Nuclear Force (INF) negotiations in Geneva.

Although Herr Vogel said he could get no clear answer from Mr Yuri Andropov, the Soviet Communist Party secretary, on the exact number of Soviet warheads targeted on Western Europe, the Kremlin's willingness to "move in the direction" of a balance in warheads would be of immense significance.

[illegible] claimed that there is a rough balance at 1,000 missile systems and aircraft on each side. The U.S. and Nato have vigorously disputed this not least because each of the new Soviet SS-20 missiles now being installed carries three independently targetable warheads.

Herr Vogel's remarks come at a time of intense debate over INF. Mr Andrei Gromyko, the Soviet Foreign Minister, will arrive in Bonn on Sunday for his first visit to the West since Mr Andropov took power.

At the end of the month, Mr

Continued on Page 14

Howe assures markets on economic policy

BY PETER RIDDELL AND JEREMY STONE IN LONDON

BRITAIN's Prime Minister and Chancellor of the Exchequer attempted yesterday to dampen speculation about an early general election and to reassure financial markets about the direction of economic policy.

Sir Geoffrey Howe, the Chancellor, said that a further rise in interest rates was neither necessary nor desirable. He also doubted whether the impact on inflation of the fall in the pound would be as bad as some economists had suggested.

He said that there was "no prospect of an early election." He denied that Mrs Margaret Thatcher's visit to the Falklands was the beginning of a election campaign.

Mrs Thatcher, who returned to London yesterday morning appeared to be annoyed at what had happened in the markets and what she regards as silly election fever. She had meetings with Sir Geoffrey and with Lord Richardson, the Governor of the Bank of England.

The Prime Minister made no public statement but the clear message coming out of Downing Street was "for – God's sake calm down."

In London yesterday, sterling rose against the dollar late in the day, while some long-dated UK government securities recouped part of their recent heavy falls. The pound closed 0.1 lower at 81.3 per cent of its 1975 value against a trade-weighted basket of currencies.

After a morning wave of selling in continental Europe, which at one point drove sterling down to DM 3.67, a fairly active two-way market developed later in London. Against the D-Mark, sterling recovered to close in London at DM 3.7050, down only 1.75 pfennigs on the day. Against a weaker dollar, sterling closed in London 40 points higher than on Wednesday at $1.5795.

Dealers said that sterling was helped by profit-taking in the dollar and continental currencies and the closing of some speculative positions.

Sir Geoffrey yesterday praised the virtues of "a cool nerve and a firm resolve." Britain's monetary policy, he said, was firmly on course; public borrowing was not imprudent; there was a responsible policy of public sector pay; and there had been faster success against inflation than in other countries. He also said there was no question of reimposing exchange controls.

Sir Geoffrey criticised Mr Peter Shore, the Shadow Chancellor, for Labour Party proposals which assume a large sterling devaluation. He said that the threat by Mr Shore of a big devaluation and of much higher borrowing had had some influence on the markets recently.

There is a prospect of a big parliamentary row over the economy next week with a full-scale debate next Wednesday initiated by the Opposition.

There is no sign of election fever among MPs, but rather a feeling that recent events and the possibility of higher interest rates and a rise in the inflation rate later this year could start to damage the Government's political standing.

The recent dismissals of an early election have all avoided saying what "early" means.

Editorial comment, Page 12; Lex, Page 14; Money Markets, Page 30

Foreign banks win entry to Australia

BY MICHAEL THOMPSON-NOEL IN SYDNEY

FOREIGN banks are to be allowed to operate in Australia. Initially, about 10 will be permitted entry. The move is likely to transform the sedate, although highly profitable, Australian banking sector.

Mr John Howard, the Federal Treasurer, said last night that successful applicants would not be permitted to "pick the eyes out" of the local banking business, but would have to offer a wide range of services.

With the exception of Bank of New Zealand and Banque Nationale de Paris, foreign banks operating in Australia are at present restricted to merchant banking, finance and leasing companies and investment services.

It is assumed that two or more banks from the European Community will win licences, including from Britain, and at least one Japanese and one U.S. bank.

In making the move, the Government is responding to the Campbell Committee report in November 1981 which called for the Australian financial system to be liberalised.

Sir Keith Campbell, chairman of the committee, said last night that the entry of foreign banks would be a "step in the right direction." But the Government has been criticised for not moving faster to implement other major recommendations in the Campbell report, including the abolition of interest and exchange rate controls.

The Government has laid down firm guidelines for the entry of foreign banks – more than 10 may be allowed later. They will be required to operate through local subsidiaries, although local equity participation of less than 50 per cent will be permitted where "net economic benefits" are adequate.

Applicants will be required to establish reasonable branch networks. Mr Howard said that, in choosing the banks, the Government would consider:

. The level and quality of Australian equity proposed; the standing and substance of the foreign banks' principals; the range and depth of services offered; intended nature and scale of operations; geographical spread of applicants; and whether there was full reciprocity of bank entry in the applicants' home countries.

Mr Howard is inviting applicants to submit detailed plans of intended activities over an initial five-year period. Applications will be reviewed by the Treasury, the Reserve Bank and the Foreign Investment Review Board. The Treasury will issue a more detailed statement next week.

Mr Bob White, chief executive of Westpac, Australia's biggest bank, said that with interest rate controls on all lending below A$100,000, it was unlikely that foreign banks would wish to compete in that area.

In Canberra last night, the announcement on foreign banks was assumed to have cleared the way for an early general election, if the Government so wishes.

It was said the Government was keen to resolve the matter of foreign bank entry before an election because of possible accusations of "selling the farm" by the Australian Labor Party opposition.

Record capital inflow, Page 3

Chrysler announces refinancing

By Richard Lambert in New York

CHRYSLER Corporation, the third biggest, U.S. motor manufacturer, yesterday announced that it had reached agreement in principle with a group of banks and other financial institutions on a major capital reconstruction.

Mr Lee Iacocca, Chrysler's chairman, described the deal as another milestone in the Chrysler recovery. "It will make more than 150 of the world's most important financial institutions holders of our common stock, giving them a new equity interest in Chrysler's success," he said.

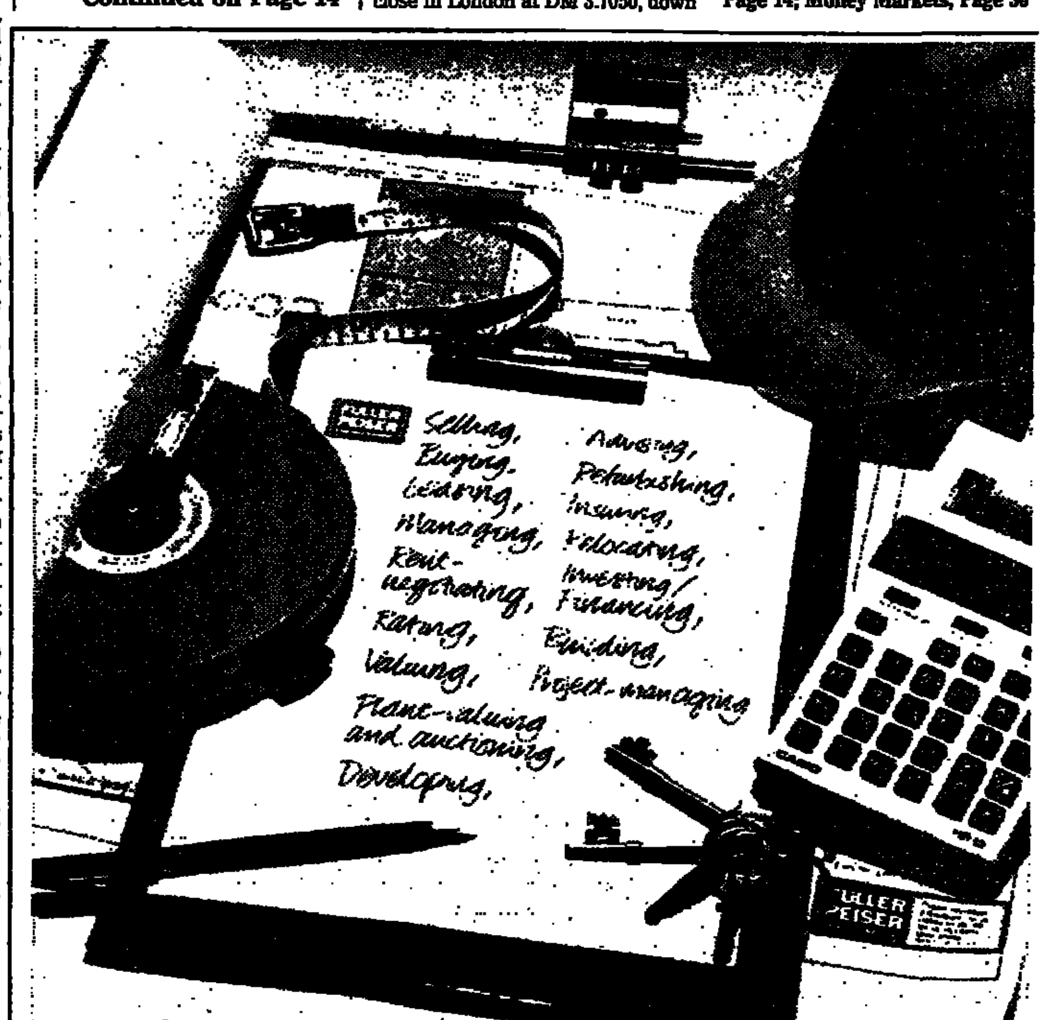
It would also eliminate a large cash burden.

Under the plan, Chrysler's 1981 series preferred stock will be reclassified into common stock. This will strengthen the balance sheet and help pave the way for an eventual paydown of the company's federally guaranteed loans, which have saved it from financial disaster in recent years. At recent market prices, the value of the newly issued common stock would be about $500m.

The plan also calls for Chrysler to offer common stock in exchange for the $13.3m in warrants owned by some financial institutions at the rate of 1.7 warrants for each share of common stock. Up to 37m additional shares of common stock could be issued in the transaction. At the end of September, Chrysler had some 79m shares outstanding.

Chrysler shares fell immediately after the news yesterday by about 75 cents to $16½.

Continued on Page 14



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EUROPEAN NEWS

EEC warns Paris about farm deal with Soviet Union

BY JOHN WYLES IN BRUSSELS

PARIS must produce evidence that its agricultural trade deal with the Soviet Union is within EEC rules or risk court action, the European Commission has warned.

Brussels has asked for "clarification" on how the deal is intended to work in practice and is suspicious that it was not been given full details of the agreement signed in Moscow last October 15 by Mme Edith Cresson, the French agriculture minister.

M Gaston Thorn, the Commisison President, confirmed in the European Parliament this week that the deal was in breach of Article 113 of the Treaty of Rome which gives the Commission responsibility over agrements with third countries.

He told Mr Alan Tyrrell and Mr Brian Hord, two British Conservative MEPs, the deal also contravened EEC procedures for ratifying agreements with third countries.

But the Commission appears to be treading carefully and its appeal for clarification does not amount to initiation of proceedings leading to a complaint against the court. Brussel's relations with Paris are fragile already.

The Commission is trying to negotiate a settlement to the videotape recorder complaint. France requires that all video-tape recorders enter the country through the customs post at Poitiers. Brussels is anxious to find an arrangement that does not hinder the entry of EEC-produced goods into France but stops Japanese recorders piling up at Poitiers.

On the Soviet farm deal, the Commission suspects that Mme Cresson, despite her denials, did sign an agreement to supply specific quantities at specific prices with the help of EEC subsidies. Officials believe that her anxiety to resume unrestricted subsidised butter sales to Russia may be connected with the Moscow deal.

The Commission has seen the French-Russian exchange of letters, which give nothing away, and says they are more appropriate to contacts between officials rather than ministers.

Moscow approach to Gatt

By Paul Cheeseright in London

THE SOVIET Union has been taking informal soundings among the major trading nations about applying for observer status at the General Agreement on Tariffs and Trade (Gatt) in Geneva.

Soviet diplomats are understood to have approached the U.S., EEC, Japan, some of the more influential developing countries, several neutral nations and the Gatt secretariat.

Although the Soviet Union maintains a large mission in Geneva, it has not previously shown much interest in the workings of Gatt which embodies the rules of the open trading system and has 88 signatories including Cuba and four members of the Eastern bloc.

Observer status would enable the Soviet Union to have access to Gatt meetings and would permit its diplomats to speak at them, although they could take no part in decision-making.

No indication of Soviet motives in considering Gatt observer status has emerged. Nor have its soundings yet had any result.

Jonathan Carr in Bonn meets West Germany's economic 'tough guy'

Tietmeyer adopts disciplinarian stance

AS A table tennis champion in his younger days, Hans Tietmeyer needed stamina and quick reactions to fend off attacks from all angles. Now that he is the new State Secretary for Monetary Affairs at the West German Finance Ministry, he has little time left for ping pong – but the old qualities still come in handy.

Since taking over the job last autumn following the change of government in Bonn, Herr Tietmeyer has been bombarded with problems which have kept his telephone ringing late into the night.

Above all there have been the growing international debt crises, the strains in the European Monetary System (EMS) and the European Community budget dispute (with Herr Tietmeyer now particularly under pressure as president of the EEC Budget Council since January 1).

He has taken all this in his stride, not least because few of the problems are really new to him. Now aged 51, he has two decades experience behind him at the (quite separate) Economics Ministry, dealing with EEC affairs (on which he also lectured at Cologne University) and latterly heading the key economic policy section.

For the last 10 years he represented Bonn at meetings of the Organisation for Economic Cooperation and Development (OECD) in Paris, and headed the OECD's high level group on structural change after the oil crises. Little wonder that, in addition to his Finance post, Herr Tietmeyer has also been appointed Chancellor Helmut Kohl's personal representative to prepare for the Western Economic Summit Conference in the United States in May.

Herr Tietmeyer has long been known as a "tough guy" on economic matters – a disciplinarian with trenchantly-expressed views on controlling state spending and inflation. He can therefore be expected to take a tough line now on the problem of international debt and what should be done about it – above all by the International Monetary Fund (IMF).

"Of course we must make sure the debt crises do not escalate beyond our capacity to manage them," he says, "but we must also avoid creating too much liquidity which would fuel inflation. We must strengthen the IMF by giving it enough funds to do the job – but not more than enough."

It is with this strategy that Bonn is preparing for the meeting of the IMF's policy-making interim committee, which is likely to be held in the first half of February. The meeting is expected to agree on an increase in potentially lendable funds, both by boosting IMF quotas and by extending the role of the General Arrangements to Borrow (GAB).

But Herr Tietmeyer stresses, that, as far as Bonn is concerned, none of this means any dilution of the conditions under which money would be lent. Above all he opposes suggestions that the GAB might become an "easy option" for borrowers who suddenly cried they needed quick money or they would go bust.

"It isn't a fire-fighting fund as some people call it," he insists, rapping on the table. "It is a reserve tank to be unlocked only under strict conditions – for example if the IMF can show its normal funds are not enough to fulfill urgent requests, or if there is a threat to the whole (financial) system."

In those circumstances the IMF could approach the (10-nation) GAB and ask for more money – though it would be up to GAB members to decide exactly how much they paid up. Whatever the sum, Herr Tietmeyer stressed, it would be subject to the full conditions applying to normal IMF lending.

Clearly there must be more bargaining (partly at the Group of 10 meetings next Monday and Tuesday) before final figures are agreed for both quota increases and GAB. A bit more in one could mean a bit less for the other.

Just as clearly, Bonn feels happier about the scheme precisely because part of the boost in lendable resources will be made through the GAB "reserve tank." The letter is seen, in effect, as an added insurance against "easy money."

Herr Tietmeyer takes a similarly strict approach to the EMS and its future – although he is at pains to reject the idea that he might be hostile to European monetary integration as such.

He recalls that more than a decade ago he took part in the now almost legendary "Werner Group" meetings in the EEC, which produced a step-by-step plan for European Monetary Union long before the EMS emerged.

But he bluntly says he sees little sense in a system of monetary cooperation if it leads to imposition of trade and/or capital controls at the same time. Herr Tietmeyer, conscious he was treading on delicate ground, stresses he is speaking theoretically – but the points he makes are normally directed privately by German officials against France in particular.

Herr Tietmeyer makes plain he does not think the time is ripe to try to develop the EMS further. "But I do see advantages as well as drawbacks," he says "so long as all members try to apply the necessary economic and fiscal discipline – and are ready to make timely parity changes."

Does this imply that West Germany will revalue the bouyant D-Mark even before the general election on March 6 – doing the weak French franc a good turn at the same time?

Not surprisingly, Herr Tietmeyer will not be tempted out on that limb. Bonn has never contested sensible parity changes in the past, he claims diplomatically, and will not do so in future.

Herr Tietmeyer's empire at the Finance Ministry covers the national field too – including responsibility for state holdings in industry government borrowing, relations with the Bundesbank and so on. Precisely because the Finance job has never been a sinecure, it has often proved the stepping stone to higher things.

Previous incumbents include Herr Karl Otto Poehl, the current Bundesbank President, Manfred Lahnstein, former Finance Minister, and – most recently – Horst Schulmann who is likely to move to a leading international financial post before long.

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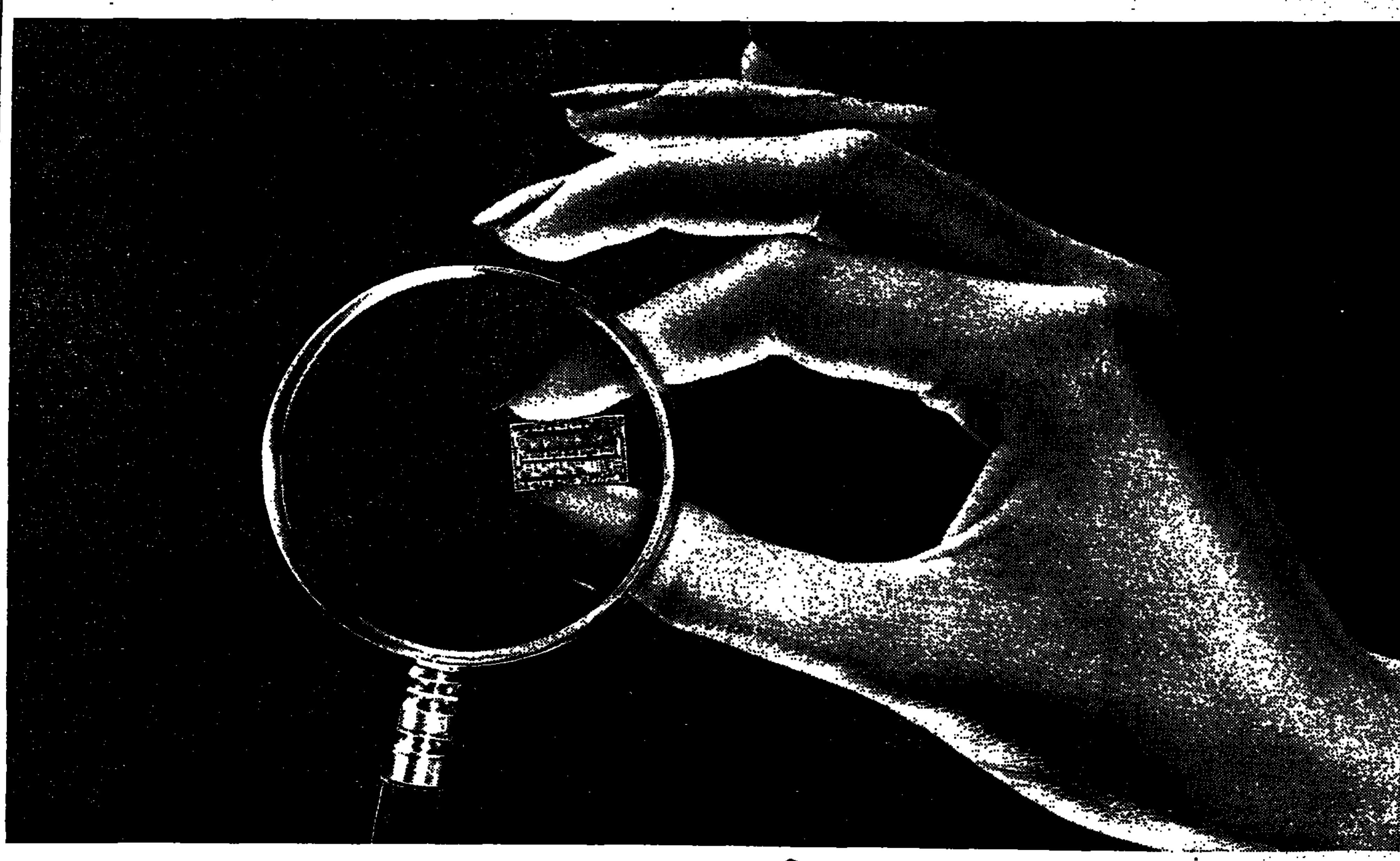

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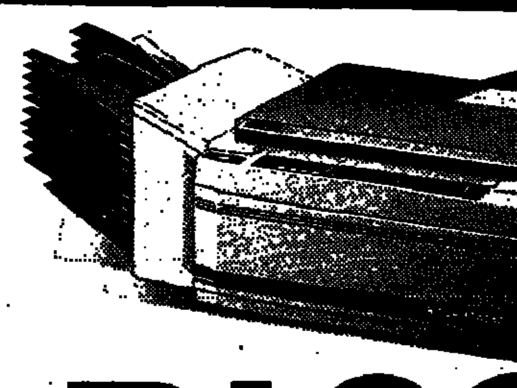

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Greece seeks curb on import quotas

BY OUR BRUSSELS CORRESPONDENT

GREEK OFFICIALS yesterday lodged a formal request at the European Commission for approval to hold down imports of some goods to 1980 levels. The restrictions form a vital part of the 15.5 per cent drachma devaluation package announced in Athens last Sunday.

EEC officials have complained to Mr Gerassimos Arsenis, the Governor of the Bank of Greece and the country's Economics Minister, that they were not consulted before the devaluation.

Under the safeguard provisions of Article 130 of Greece's EEC membership treaty, the Commission must respond within five working days to the request to introduce emergency import quotas.

It will be surprising if Greece wins unqualified approval for its plan. There are signs that it is asking for more than it expects to get.

Athens' top priority is believed to be for backing on textile import quotas. In 1980 these totalled \$183.1m against exports of \$482m.

Greece is also seeking import controls for agricultural machinery construction materials, leather and skins, and toys. Discussion in detail at the Commission today will be followed by a fuller political and economic explanation of Greek policy on Monday by Mr Grigoris Varfis and Mr Costas Vaitsos, respectively under-secretaries at the Foreign Ministry and the Ministry of National Economy.

Plans to step up study of spent nuclear fuel storage

BY DAVID MARSH IN PARIS

FRANCE plans to intensify studies into long-term storage of spent nuclear fuel as an alternative to controversial reprocessing to retrieve plutonium.

This was made clear yesterday by M. Edmond Herve, the Energy Minister, following publication of an independent report urging the Government to keep all options open for the long-term treatment of burnt nuclear fuel.

Presentation of the report to the Press this week coincided with the ending of a week of sporadic protests against the delivery of spent fuel from Japan for reprocessing in the huge nuclear treatment plant at La Hague in northern France.

Anti-nuclear demonstrators on Tuesday night chained themselves to the rails to try to prevent a train carrying the radioactive waste from reaching the plant near Cherbourg on the Channel coast. It is owned by Cogema, the Government's nuclear company.

The report was drawn up by a group under the chairmanship of Professor Raimond Caistaing, a member of the French scientific academy.

It does not throw into doubt the principle of commercial reprocessing. This is an area where France has built up a world lead, and where it is spending FFr 23bn (£2.1bn) over the next six years to enlarge the facilities at La Hague.

The experts recommend that, in order to avoid committing France to an irrevesible path, the Government should make greater efforts to explore storage of radioactive debris. This could be an alternative to immediate reprocessing for at least a part of the spent fuel.

The La Hague plant will be used over the next few years to reprocess fuel, not only from power stations in France but also those from several European countries and Japan.

Plutonium recovered from the spent fuel is to be used as the feedstock in France's planned generation of fast breeder reactors, but doubts over this energy source have been intensified by lower growth in electricity demand and the general slowing of the French nuclear energy programme.

Lisbon coalition still at odds as deadline looms

BY DIANA SMITH IN LISBON

TWENTY-FOUR hours before the presidential deadline for formation of a new Portuguese Government, Christian Democrat and Social Democrat partners in the Democratic Alliance (AD) are still at daggers drawn about the programme and composition of ministries in the next administration.

The threadbare alliance shows signs of splitting at the seams, following the example of the Spanish UCD on which it was modelled three and a half years ago. This would raise the threat of a snap general election before the AD mandate expires in later 1984.

President Antonio Ramalho Eanes, hoping to encourage the tottering alliance to pull itself together, has given the AD *carte blanche* on both the new government and its programme.

But the exit of stronger AD personalities from the scene seems to have left other ranks in a state of garrulous suspended animation. The time wasted, meanwhile, is aggravating Portugal's financial crisis.

With no 1983 budget to define state spending and borrowing, the Republic of Portugal loan traditionally settled with foreign banks at this time of year has had to be shelved until a new administration can be sworn in. Portugal is looking for \$650m for this loan, against \$500m in 1982.

Meanwhile, some short and medium-term foreign borrowing is being organised as a stopgap.

Portugal is lucky to have gold reserves that, at today's strong prices, practically cover the foreign debt of about \$12bn. Once there is a government empowered to negotiate, Portugal is expected to go to the International Monetary Fund. The 1981 Balsemao Government had begun negotiating a \$1.3bn medium-term facility on easy terms. The 1982 Balsemao administration changed its mind, and the matter was shelved. This time round, terms could be far tougher.

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OVERSEAS NEWS

S. African banks to lower prime another 1%

By Bernard Simon in Johannesburg

SOUTH AFRICAN banks are to lower their prime lending rate by a further 1 percentage point to 17 per cent amid signs of ahuge inflow of short-term foreign capital into the country.

The reduction in prime rate, initiated by Nedbank (the country's largest locally-owned banking group), is the third drop since last November when the rate stood at a record 20 per cent. Banks will implement the cut early next week.

The lower prime rate has come as no surprise. Money market interest rates have *fallen steeply in recent weeks* in anticipation of a steady build-up of domestic liquidity later this year, caused by the effects of the rising gold price on the balance of payments and by weaker demand for credit.

The key three-month bankers' acceptance rate was quoted at 13.25 per cent yesterday compared with over 15 per cent at the beginning of December.

Interest rates are expected to continue falling throughout 1983. Mrs Sue Kell, economist at Discount House of South Africa, forecast a prime rate of around 12 per cent by the end of the year.

Despite recent falls, interest charges in South Africa remain considerably higher than in most other countries. This disparity has prompted a surge in short-term foreign borrowing both for trade finance and working capital.

According to one estimate, the inflow has totalled about R600m (£342m) since the beginning of the year, compared to an inflow of R520m in the three months to last September.

The foreign borrowing spree has been encouraged by the present strength of the rand, prompting companies to avoid the extra costs of forward cover.

The rand closed at a mid-rate of 94.14 U.S. cents yesterday, well above its record low of around 85 cents last October. It is expected to reach parity with the dollar by mid-year if the gold price continues to rise at its present rate.

Ivory Coast trims growth targets

By Peter Blackburn in Abidjan

THE IVORY COAST, until recently francophone Africa's most dynamic economy, has trimmed growth and investment targets in an austere five-year development plan adopted by the national assembly.

The long-awaited plan had to be drastically revised to take account of a sharp drop in cocoa and coffee export earnings and the deepening economic recession. The annual growth rate target has been reduced from 5.7 per cent to 2 per cent, less than one third the average 7.5 per cent growth achieved during the previous five-year plan of 1976-80.

Public sector investment has been cut to $10.3bn (£6.6bn) at 1980 prices from $11.3bn during the 1976-80 plan. Investment in terms of gross domestic product is being cut to 23 per cent from 28 per cent. An estimated $3.6bn will be raised externally to finance public sector investment. The country's planners hope for more favourable loan maturity and interest rates to help reduce debt service costs.

Oil revenue has not been included in investment planning and Mr Maurice Seri Gnoleba, Planning and Industry Minister told the national assembly: "The growth of oil production is slower than initially forecast, thus reducing investment possibilities." Production began in 1980 and is now about 30,000 b/d, enough for the country's needs.

Agriculture, especially food, is expected to be the most dynamic sector, with an annual 4 per cent average growth rate and 15 per cent of total public investment. Industrial output is expected to grow at less than 2 per cent a year.

Maputo seeks oil tenders

By Michael Holman in Maputo

MOZAMBIQUE yesterday took a major step towards exploitation of its potential oil resources when the Government opened bidding for exploration rights to 17 offshore blocks for which seismic data was obtained in 1981 and 1982.

Mr Abdul Osman, secretary of State for Oil and Hydrocarbons, said: "I am convinced we will discover oil in commercial quantities. It is only a matter of time."

Deadline for tenders is September 30.

Party's humiliation threatens silent Gandhi

BY K. K. SHARMA IN NEW DELHI

INDIA IS awaiting with some trepidation the inevitable response from Mrs Indira Gandhi, the Prime Minister, to the humiliating defeats suffered by her Congress (I) party in last week's three state elections.

The return to power of the Marxists in the tiny north-eastern state of Tripura was predictable. But Mrs Gandhi's drubbing in the southern state of Andhra Pradesh by an ageing film star and in the nearby state of Karnataka, where she made her political comeback in 1980, are stark proof that her magic is rubbing off.

Mrs Gandhi has maintained an uncanny silence since the débâcle. Some of her supporters have tried to suggest that the results in south India are a localised phenomenon, due more to the mosaic of Indian political life than to any erosion in Mrs Gandhi's position as the country's only figure of national stature.

The fact, is however, that Mrs Gandhi is once again under threat and, with more state elections due next month, the dangers of her acting as she always tends to when she is cornered, especially if those polls also go against her, are high.

Mrs Gandhi last had her back to the wall in 1975 when her election to parliament was declared void and she called the national emergency to save herself. This was disastrous for her — it led to a landslide defeat in the 1977 elections — but the likelihood of her doing something quite as radical as this again is low.

However, all her instincts must be pushing her to do something dramatic, such as she did in 1969 when she nationalised the banks for political reasons. Mrs Gandhi is particularly under pressure because she has to hold general elections by the end of next year.

Her close supporters may be urging her to call an early general election to prove their conviction that Mrs Gandhi's charisma remains intact. She would be helped tactically by the continuing divisions in the opposition.

Opposition unity made a tenuous beginning when a Janata government was formed last week in Karnataka, but it will take a long time to consolidate.

Last week's results may reinforce the feeling that national politics have been fast disintegrating in India since the days when the Congress (I) Party of Mrs Gandhi and her father, Jawaharlal Nehru, dominated this disparate country of 750m people. But there are no national rivals in sight to Mrs Gandhi yet, despite last week's regional setback.

An important implication of the defeat is also that the economic policies initiated in the past three years have suddenly become of secondary importance to Mrs Gandhi. The basis on which they were formulated — that she could carry through changes and reforms because of her unquestioned national position — no longer exists.

This could mean that economic liberalisation policies like freer imports, encouragement of foreign investment and the move towards dismantling controls could be reversed if Mrs Gandhi decides that more drastic measures are necessary.

Meanwhile, both the new governments in the south are capitalising on their opportunity to offer a new brand of leadership.

In Andhra Pradesh, where former film star N. T. Rama Rao's Telegu Desam Party won with a two-thirds majority, and in Karnataka, where Mr Ramakrishna Hegde's newly-resurrected Janata Party came to power with the help of other non-Congress (I) groups, this symbolised a pledge to give the people an open and honest government in contrast to the allegedly corrupt and secret goings-on of their Congress (I) predecessors.

In the three years since Mrs Gandhi returned to power, the two state have followed a pattern common to most if not all the Congress (I) ruled states. Chief ministers have had no poular base of their own, their only qualification for their jobs being an unswerving loyalty to Mrs Gandhi.

In both states, Mrs Gandhi had got rid of established leaders with a following of their own and the potential for offering even a remote challenge to her or those close to her, notably her son and recently-chosen heir apparent, Mr Rajiv Gandhi.

In return for this loyalty, the chosen nonentities were allowed virtually a free hand in their states. In Karnataka and, to a lesser extent, in Andhra Pradesh, the chief ministers had the reputation of trampling political opponents, misusing the administrative apparatus and piling up fortunes—as in other Congress (I) states.

The inevitable result was popular disillusionment. Mrs Gandhi's usual whirlwind pre-election tour of the states failed to reverse it.

The message from the south is that politically, Mrs Gandhi's style has been declared unacceptable in those States. The dynastic principle which she imposed on India's democratic edifice by selecting Rajiv as her political heir soon after her younger and more dynamic son, the controversial Sanjay, died in an air crash in June, 1980, is under open challenge.

Mrs Gandhi is caught in a vicious trap. Her propogation of a dynastic rule has been rejected. Her party is losing unity and lacks a strong heirarchy. It is clearly incapable of coping with regional forces and a possible threat from other parties. Meanwhile, India remains poor and the economy is under strain.

Under these pressures, her first instinct — as in the past — will be to ensure her survival.

Indira Gandhi: first instinct is survival

State Ministers resign

THE fate of yet another Congress (I) state government formed by Mrs Gandhi hung in the balance yesterday when two Ministers resigned in the western industrial state of Maharashtra, K. K. Sharma writes.

The resignations are a major revolt against the Chief Minister of Maharashtra, Mr Babasaheb Bhosale, who was selected by Mrs Gandhi when *she sacked his predecessor* a year ago following charges of corruption against him. The sacked Chief Minister, Mr A. R. Antulay, has since worked hard to bring down the Bhosale Government and the tussle between the two has led to considerable instability in Maharashtra, the scene of serious labour strife, including a prolonged strike by Bombay's textile workers.

Australia has record £3.8bn inflow

By Michael Thompson-Noel in Sydney

DESPITE its worsening economy, Australia enjoyed a record capital inflow of A$6.33bn (£3.8bn) over the six months to December 1982—more than double that seen in the first half of 1981-82.

As a result, the balance-of-payments surplus for the six months to December was A$2.22bn, against a deficit of A$1.3bn for the same period the previous year, while gold and foreign exchange reserves in December stood at A$10bn.

Overseas confidence in Australia's medium-term economic outlook remains strong, as witnessed by continued high private capital inflows directed *at Australian resource projects.*

However, the short-term outlook is grim, with the economy creaking under the strain of depressed commodity prices, severe drought, and the aftermath of high wage inflation.

The latest unemployment figures, published yesterday, show a seasonally-adjusted total of 672,200 out of work last month, or 9.5 per cent of the total, compared with 603,000 (8.6 per cent) in November.

The Government yesterday repeated its call for wage restraint—a six-months wage freeze is in place—and said it was essential to achieve a better balance between profits and wages.

But the trade picture was relatively bright in December, with imports falling more *sharply than exports, so that* the balance of trade deficit was A$11m, the smallest deficit for 19 months.

Invisibles, such as freight, insurance and tourism, totalled A$529m, for a deficit on current account of A$540m, compared with a deficit of A$570m in November.

Pym must meet PLO member, Arabs say

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

THE ROW between the Arab League and Britain over the visit of a delegation to London seems unlikely to be resolved unless Mr Francis Pym, Britain's Foreign Secretary, agrees to meet a senior member of the Palestine Liberation Organisation.

Senior Arab diplomats said yesterday that several different formulas were being considered for resolving the dispute. But they all would involve Mr Pym meeting either Mr Farouk Khaddoumi, who is effectively the PLO's foreign minister, or Mr Khalid al-Hassan, the chairman of the Palestine National Council's foreign relations committee.

If the British Government agreed to this, then it was possible that Mr Mohammed Milhelm, the mayor of the West Bank town of Halhoul, who is not a member of the PLO executive, could be the Palestinian representative in the Arab League delegation.

The dispute forced Mr Pym to call off a tour he was planning of Gulf States this week. Saudi Arabia was particularly angered by a British attempt—now withdrawn—to impose conditions before it would receive the delegation.

Mrs Margaret Thatcher, the British Prime Minister, met Mr Milhelm last year at the Conservative Party annual conference and is believed to have agreed to his presence in the delegation.

Arab diplomats say that a meeting between Mr Pym and a senior PLO official could take place before the Arab delegation arrived in London or approximately at the same time, but separate from the delegation's programme.

King Fahd of Saudi Arabia is reported to have given his full support to the PLO's stance. The Saudi monarch was in Rabat when Lord Chalfont was sent to Morocco to patch up differences with King Hussain, who is to lead the Arab League delegation.

The Saudis are said to have been annoyed that Lord Chalfont did not also seek to explain to them the change in Britain's attitude.

Saudis 'likely to cut oil price by $3 soon'

BY RICHARD JOHNS

THERE IS an even chance that Saudi Arabia will cut its oil price by $3 by the spring if the Organisation of Petroleum Exporting Countries fails by then to adopt an effective system, according to Dr John Lichtblau, President of the Petroleum Research Foundation.

The prominent U.S. oil analyst predicted that other Opec members, which have been offering various discounts below the official reference price of $34 per barrel, would probably match any Saudi cut.

Dr Lichtblau suggested that the main reason why Saudi Arabia had not reduced its price yet, despite growing anger over the erosion of Opec's price structure and its own falling output, was because of fears of other members following suit—with an inevitable further loss of revenue to itself.

Sheik Ahmed Zaki Yamani, Saudi Oil Minister, evidently showed concern about the possible consequences for prices generally when he resisted pressures for a cut at a meeting last week with senior executives of the Kingdom's partners in the Arabian American Oil Company — Exxon, Standard Oil of California, Texaco and Mobil.

More crucial talks on the issue will take place this weekend in Bahrain at a meeting of oil ministers of the Gulf Co-operation Council (GCC). No decision is likely to be made by Saudi Arabia before consultations with its partners in the GCC which groups the conservative Arab oil-producing states of the Gulf.

Among them, Oman is already selling oil at rates below Opec's official levels.

Vietnamese troops clash with Thai marines

BY JONATHAN SHARP IN BANGKOK

INCREASINGLY FIERCE exchanges in Western Kampuchea between Vietnamese occupation forces and the patchwork of Khmer guerrillas opposing them took an ominous turn this week when an undisclosed number of Vietnamese troops crossed briefly into Thailand.

Thai marines engaged the intruders, who withdrew after several brisk encounters, leaving behind five dead and one prisoner.

The incident was the most serious involving Thailand in the current round of fighting in Kampuchea and served as a reminder of how the mostly localised conflict in Kampuchea can easily assume a more serious international dimension.

Each year at this time, when the region is well into the dry season and movement of heavy military equipment becomes possible, Vietnam's *180,000* troops in Kampuchea launch operations against the jungle fastnesses of the Khmer guerrillas, most of whom are based in camps close to the Kampuchean-Thai frontier.

A unusual feature of the current bout of fighting is that the Khmer People's National Liberation Front (KNLF), the second largest of the three resistance groups, took the initiative on December 26 by seizing a number of villages several miles inside Kampuchea.

At the same time, serious doubts are beginning to emerge over the fate of the coalition of Kampuchean factions fighting the Vietnamese. This is because of fears that Prince Norodom Sihanouk, the coalition's president and best-known figure, is threatening to distance *himself* from the group and perhaps leave altogether.

Were this to happen, the coalition's credibility as a viable alternative to the Vietnamese-backed Phnom Penh Government of Heng Samrin would be seriously undermined internationally. It would also considerably strengthen Hanoi's hand.

The Sihanouk-led coalition was strengthened as Kampuchea's representative at the United Nations this year because of his presence.

Whether the prince's threat to withdraw from his role as coalition president is to be taken seriously is not yet clear. His well-publicised pique in a letter from his self-exile in North Korea *may* just have been a ploy to attract more support.

But the prince has been voicing discontent over his lack of support from China. There are even reports that he has been in stealthy contact with either the Vietnamese, the Heng Samrin Government, or both.

The Vietnamese and Prince Sihanouk have denied the contacts, which are said to have been conducted via the French. But diplomats in Bangkok say the reports are by no means implausible.

The diplomats note that the prince's hatred of the Chinese-backed Khmer Rouge, who kept him under virtual house arrest while they held power in Phnom Penh between 1975 and 1979 and are alleged to have slain many of his relatives, is an important influence on him.

Hanoi may encourage such contacts as an insurance policy because of the talks between its main backers, the Soviet Union and China.

The Chinese, who launched a limited invasion of Vietnam in 1979 in an effort to punish the *Vietnamese for invading Kampuchea*, have repeatedly stated that Soviet support for Vietnam is one of three major obstacles blocking an improvement in Sino-Soviet relations.

Moscow might reduce its support for Vietnam or at least bring pressure on Hanoi to be more flexible in negotiating a settlement over Kampuchea.

It is not far-fetched to envisage Vietnam or the Phnom Penh régime putting out feelers to Prince Sihanouk to lure him away from the coalition by offering him a role in the Kampuchean capital.

Both Vietnamese and Kampuchean officials have hinted that the prince could return to participate in elections if he abandoned his asociation with the Khmer Rouge.

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Ecuador's $1.2bn debt to be rescheduled

By Peter Montagnon in London and Sarita Kendall in Quito

ECUADOR has reached agreement with its leading creditor banks on terms for rescheduling some $1.2bn (£764m) of debt falling due between November 1, 1982 and the end of this year.

Under the agreement, which covers roughly a quarter of Ecuador's total outstanding debt of $4.8bn, final repayment of the loans would be deferred until December 1989 although Ecuador would have to begin repaying some money by instalment from next year.

The agreement was reached this week in New York after two days of talks between a steering committee of creditor banks led by Lloyds Bank International and top Ecuadorian officials. It is now being circulated to all the country's creditor banks for their approval.

Ecuador began to have problems with its international debt last spring after the decline in oil prices forced a sharp depreciation of its currency, the sucre. Its borrowing ability on international markets was impaired first by the Falklands crisis and later by the generalised debt problems of Latin America.

It has undertaken to pay interest on the rescheduled debt at a margin of 2¼ per cent over London Eurodollar rates or 2¼ per cent over U.S. prime rate. In addition it will pay fees totalling 1¼ per cent for deferring repayment.

Implementation of the agreement will depend on Ecuador agreeing to an economic stabilisation programme with the International Monetary Fund, rescheduling debt of other creditors and keeping all interest payments current.

Ecuador has also asked the creditor banks to consider making new money available this year and this request is now being considered. If the steering committee agrees to the request, banks participating in the rescheduling "will be expected to participate in the new money operation," according to Mr E. Nyborg-Andersen, the steering committee chairman.

Ecuador is expecting a current account balance of payments deficit of $[illegible]00m this year after a $1.2bn shortfall in 1982.

Reagan purge may herald tougher line in arms control talks

Reginald Dale in Washington assesses the impact of Eugene Rostow's resignation

ONE OF the main preoccupations of President Ronald Reagan's foreign policy over the past two years has been not to "send the wrong signal" to the Soviet Union by appearing weak or irresolute. At the same time, he has endeavoured to present himself, especially on his trip to Europe last summer, and through his arms controls proposals, as a genuine "man of peace."

He clearly intended that both of these concerns — sometimes hard to reconcile, at least in European eyes — should be seen as motivating his sudden, drastic shake-up of the U.S. arms control establishments this week.

He wanted, in the words of his officials, to put together a "more cohesive team" for the Geneva arms talks with the Soviet Union, so as to push them forward and to clear up some of the confusion that has been reigning in Washington and elsewhere over his real arms control objectives. Confusion was to be replaced by a new clear-cut determination.

The question is whether such a "signal" will be read in the way intended, especially at such a delicate stage in his relations with the new Soviet leadership and his West European allies.

There was little surprise in Washington at some of the individual elements of the shake-up. Mr Eugene Rostow, the sacked chief of U.S. arms control policy, has for months been harried by right-wingers for softness towards the Soviet Union, and had been regarded as particularly vulnerable since his humiliating failure earlier this month to win congressional approval for his chosen new deputy, Mr Robert Grey.

Mr Richard Starr, who was simultaneously dismissed as head of the conventional force reductions negotiating team in Vienna, has gone largely as a result of his own indiscretions and eccentricities—including an apparent obsession with his own personal security and that of his negotiating team. Apart from requesting a supply of sidearms and bullet-proof undergarments, he was reported to have pointed out that his residence was vulnerable to bazooka attacks.

What was less expected was the timing of such a major reorganisation. It comes on the eve of a 10-day trip to Europe by Vice-President George Bush later this month which is intended to reassure the Western allies that Washington's approach to arms control remains consistent and well-intentioned. If Mr Rostow was regarded as "didactic and cantankerous" by senior officials in Washington, he was treated with considerably greater respect in most European capitals.

Mr Reagan's many critics in Washington and in Europe will also read two rather more alarming interpretations into the move.

It will be seen as an open admission that the Administration has so far failed to devise a credible response to the flood of "peace initiatives" — including non-aggression pacts, the mutual reunciation of the first use of force and new proposals for reducing Soviet intermediate range "Euromissiles" —that have been pouring out of Moscow since Mr Yuri Andropov assumed power.

Many of these proposals are far from new. But they have touched a chord in the minds of those European governments which are looking for early progress in the intermediate nuclear force (INF) negotiations, if only, in Washington's eyes, as an excuse for possibly delaying the planned deployment of new U.S. Cruise and Pershing missiles in Europe from the end of this year.

There is a widespread awareness in Washington that Mr Andropov has begun his tenure of office with a swift series of agile propaganda coups so far unmatched by Mr Reagan.

A second fear is that in trying to respond to Mr Andropov, Mr Reagan will fall back on a tougher rather than a more conciliatory line. Announcing Wednesday's reshuffle, he repeated his proposals, initially welcomed in Europe, for major reductions in strategic missiles and warheads and the total elimination of intermediate nuclear weapons from the European theatre.

He said he was encouraged by the "businesslike nature" of the Geneva talks and expressed his belief that a serious foundation for progress had been laid.

There are many indications, however, that in the sharp debate in Washington over the correct response to Mr Andropov, the tougher, right-wing forces are prevailing over the voices of conciliation. In sacking Mr Rostow, Mr Reagan has shown he is at least prepared to take into serious account the views of Washington's arch-conservatives, led by right-wing Senator Jesse Helms of North Carolina.

Mr Rostow and Mr Paul Nitze, the chief American INF negotiator in Geneva, believe that Soviet indications of flexibility should be taken seriously and are worth further exploration.

Mr Nitze, the lone senior survivor of Wednesday's purge, has already been ticked off for going beyond his brief in Geneva by informally exploring possible alternatives to Mr Reagan's proposals with the Soviet negotiators.

The prevailing view in Washington now appears to be that of the White House and the Pentagon—that Moscow has not yet come far enough to warrant any deviation from the original U.S. line.

The more accommodating approach of the State Department, to which Mr Rostow reported, is in retreat.

The new arms control team, headed by 36-year-old Mr Kenneth Adelman, currently deputy U.S. ambassador to the United Nations, will be more conservative, more acceptable to the right-wing in Congress and more closely supervised by the highest members of the Administration.

Mr Reagan, according to his officials, wants personally to "take charge" of arms control policy, although this can only be in the broadest sense—his intellect is little suited to grasping the minutiae of such notoriously complex negotiations.

So far Mr Reagan has done little to dispel the lingering suspicion on both sides of the Atlantic that his aim may be to spin out the talks so as to justify the deployment of the new U.S. missiles in Europe and continue his rearmament at home.

He has already dropped a broad hint that he may have to review his entire position in the strategic arms talks (Start) if Congress does not allow him to deploy new MX missiles.

Even the more moderate Mr Rostow, however, did not believe the Soviet Union would make serious concessions until the eve of the Euromissile deployment and that real progress in the parallel strategic talks would have to wait until such a move could be assessed.

He saw his job, he said, as trying to steer a course between "people who want an agreement at any price, and people opposed to having any agreement at all." The fear among many Democrats and arms controls supporters is that he failed in this task principally because the latter view now prevails. The right-wing tactic is to support an agreement, but on conditions that Moscow will never accept.

For the time being, the Administration's aim looks like being to stick to its original proposal, while trying to regain the initiative in the propaganda struggle for the hearts and minds of the West Europeans. As one Administration official put it yesterday: "It's all going to be a public relations battle for the next six months at least—and Ken Adelman is a talented public-affairs man."

Falklands lesson teaches Argentina to re-arm and re-think

BY A SPECIAL CORRESPONDENT IN BUENOS AIRES

THE ARGENTINE armed forces have been re-arming fast since their defeat in the Falkland Islands six months ago, replacing large amounts of lost equipment and buying the new military hardware which their recent battle experience has shown to be indispensable for modern warfare.

If Argentina should ever consider going to war with Britain over the Falklands a second time, its armed forces will be better equipped and better trained to do the job.

Foreign military experts estimate that Argentina lost about $800m (£503m) worth of equipment during the war, including a cruiser—the General Belgrano—a submarine, more than 100 helicopters and fixed-wing aircraft and the entire weaponry of three army brigades.

The air force and fleet air arm took the heaviest losses. New aeroplanes and anti-aircraft defences constitute the main thrust of the re-armament programme now underway.

The first priority was to replace between 40 and 50 Mirage III and Skyhawk fighter bombers shot down by British anti-aircraft defences and Harrier jump jets.

Last November, arms traders were saying that Argentina had already purchased 10 second-hand Mirages from its close ally, Peru, and 22 to 24 Daggers, an Israeli-built version of the same aircraft, from Israel.

Another urgently needed replacement was a Lockheed C-130 Hercules transport aircraft, purchased from the U.S. at the end of last year to replace a similar aircraft which crashed in Port Stanley during the fighting.

A similar more recent deal involved the Argentine Navy's purchase of four Lockheed Electra airliners from the U.S. for conversion into maritime patrol aircraft.

The Falklands conflict showed the lack of adequate maritime patrol aircraft to be a major weakness in Argentina's defence. The navy hurriedly arranged the loan of two twin-engined Bandeirante patrol aircraft from Brazil during the crisis and requistioned executive jets to scan the sea between Argentina and the Falkland Islands.

General Belgrano: among £503m worth of Argentine equipment lost during the Falklands conflict

But these makeshift arrangements still left much to be desired. According to last September's edition of the official air force magazine, Aeroespacio, the Argentine air force was unable to fly attack sorties on the British task force on 13 of the 45 days between May 1 and the Argentine surrender on June 14 due to lack of information about suitable targets.

During the war, Argentina also learned from the British the strategic value of helicopters as troop transports and airborne weapons platforms for attacking infantry and shipping.

The Argentine forces made little effective use of their own mixed bag of helicopters, however 22 of which were destroyed, according to the Army Commander-in-Chief, Cristino Nicolaides.

Now, the Argentine military are looking closely at buying French-built Puma transport helicopters and are also shopping around for an attack helicopter.

France's delivery of a further nine Super Etendard jet fighters with their complement of Exocet missiles last November has immeasurably increased Argentina's naval attack capacity, but these aircraft were ordered well before the Falklands conflict and cannot be properly regarded as part of Argentina's post-war rearmament programme.

The Argentine navy launched a massive modernisation and re-equipment programme after frontier tension with Chile over the Beagle Channel dispute in 1978 and is now reaping the benefit of these orders.

The first of four frigates and two submarines ordered from West Germany are due to arrive later this year and more submarines and six corvettes are being built in Argentine shipyards with West German technical assistance.

The Falklands conflict showed Argentina's need for more effective anti-aircraft defences. The armed forces were particularly pleased with the performance of their Franco-German Roland missiles, used to guard Port Stanley airfield, and their Swiss Oerlikon radar-guided anti-aircraft cannons. According to arms traders, they want to order more of both.

Another arms purchase reportedly in the pipeline is a batch of 15 Xavante jet trainers from Brazil. Argentina will need them to train a new generation of fighter pilots, to replace the cream of its air force which died in the "bomb alley," of San Carlos bay, where British warships were moored.

Improvements in personnel selection and training are likely in all three services as a result of experience gained in Argentina's first war against a foreign enemy for more than 100 years.

Barely-trained 18-year-old recruits, however brave and determined, were no match for Britain's highly trained professional troops. Several senior officers and politicians have called for an end to conscription and better training to raise the combat standard of Argentina's armed forces.

The Air Force Commander-in-Chief, Jorge Augusto Hughes, said last week that arms purchases since 1978 accounted for less than 10 per cent of Argentina's $43bn external debt. But central bank officials estimate the arms bill to be about $5bn—and by all accounts it is still climbing.

Washington trade talks adjourned

WASHINGTON — U.S. and European Community negotiators have agreed to adjourn talks until February 10 in Brussels aimed at averting an agricultural trade war.

A European delegation official said Common Market officials had described meetings this week as "good and hard-working," but he said the two sides agreed there was a shortage of information and pledged to try to compile more statistics for next month's meeting.

While both sides continue to emphasise a desire to avoid a major trade war over agricultural disputes, each has remained firm in its unwillingness to compromise on certain issues.

EEC officials have said repeatedly that their Common Agricultural Policy, under which farm prices and subsidised exports are supported, could not be dismantled without toppling the farm economies of its 10 members. U.S. officials have often said they would not be satisfied with less than a phase-out of these subsidies.

Mr Richard Lyng, the U.S. Deputy Secretary of Agriculture, said that much remained to be done, but the spirit of co-operation was good.
Reuter

Japan reviews its certification procedures

BY JUREK MARTIN IN TOKYO

THE JAPANESE Government has given itself 30 months to complete a comprehensive review of the country's standards and certification procedures to see if they discriminate against imports.

This appears to be the major element in Japan's latest market opening package of recently announced tariff and non-tariff reforms.

These provide for liberalisation of the retail tobacco trade to help imports, a beefing up of the trade ombudsman's office established last year, a promise of preferential financing for foreign ventures in Japan and a specific list of 16 areas, including cars pharmaceuticals and cosmetics, where inspection procedures are to be relaxed immediately.

In a statement, Mr Yasuhiro Nakasone, the Prime Minister, said that in order to preserve international economic harmony: "It is essential that we further increase manufactured imports and avoid the excessive concentration of exports of certain products."

Mr Nakasone acknowledged in his statement that the across-the-board Cabinet-level review of standards and certification proceedings: "may lead to the amendment of laws and the improvement and strengthening of the system for settling trade-related grievances."

The review, due to be completed by March 31, is to be conducted by Mr Masaharu Gotada, the Chief Cabinet Secretary. His political clout, officials maintained here, should ensure that individual ministries do not succeed in blocking potential reforms in areas under their particular purview.

More than 30 Japanese statutes, including the comprehensive consumer protection and safety laws, will be subject to the review. A Foreign Ministry official said that attitudinal, as well as institutional, impediments would be put under the Cabinet microscope.

It is an open question whether the promise of further Japanese study of the openness of its own market will satisfy foreign critics. The brief respite bought by the Christmas series of tariff cuts, particularly as they applied to tobacco, chocolate and biscuits, appears to have ended, as both the U.S., in the person of President Reagan in his Dallas speech to U.S. farmers this week, and the European Community have returned to the attack.

There is little doubt that the Nakasone Government in the face of much domestic political opposition, is approaching trade problems more seriously and inventively than its predecessor, under Mr Suzuki.

But the quickened pace of Japanese activity may not match the rate at which foreign criticism — and retaliatory action — is escalating.

A series of bilateral discussions in the next three weeks could be significant.

Mr Nakasone goes to Washington next week apparently unable to promise to do more than talk about increasing U.S. beef and citrus exports to Japan but probably with a commitment to provide the U.S. with Japanese military technology.

The issue should be settled at a Cabinet meeting today. Mr George Shultz, the U.S. Secretary of State, is due in Tokyo at the end of the month.

High-level discussions with the EEC are even more prevalent, with four such sessions, three in Tokyo, one in Brussels, planned between now and the first week of February.

Yasuhiro Nakasone

EEC seeks Tokyo's assurance on export restraints

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPANESE TRADE negotiators are to be asked to provide the EEC with assurances of "clearly defined" export restraint on a list of products produced yesterday by a team of EEC officials holding bilateral meetings in Tokyo.

While there was no immediate Japanese response to the EEC list, there was some indication that Japan may be ready to offer some undertakings on the volatile question of video tape recorders exports. But this would only be done in return for the lifting of French measures requiring all VTR imports from Japan to pass through the inland customs post of Poitiers.

The two sides are to meet again today at the Ministry of International Trade and Industry, and talks may resume in Brussels next week when the Industry Minister attends a Japan-EEC symposium.

The EEC list include cars, TV sets and tubes, certain types of machine tools, light commercial vehicles and motorcycles. In each case, the Community is asking for what it calls "tangible assurances of moderation" with regard to the level of exports to the Community as a whole, not just to individual countries.

The EEC negotiating team is headed by an official of the European Commission's internal market directorate general.

He is in Tokyo as a result of last month's decision by the Council of Ministers to make a further approach to Japan on the question of export restraint before the Community activates the dispute procedure contained in Article 23 of the General Agreement on Tariffs and Trade (Gatt) to settle its continuing trade differences with Japan. The decision to invoke the article has already been taken in principle by the Community.

Egypt tries to sell F-4 jets

By Charles Richards in Cairo

EGYPT is trying to sell Turkey 35 McDonnell Douglas F-4 fighter bombers which it acquired from the U.S. three years ago.

The U.S. Administration approved the planned sale and Congress did not raise objections to it within the required period.

The main objections have come from Greece, which is concerned that the sale will upset the balance of power in the Aegean. Reports from Ankara that Turkey has already bought the aircraft have not been confirmed in Egypt. It is thought unlikely that a suitable price could be agreed so soon.

Last week Field Marshall Abdel Halim Abu Ghazala, the Egyptian Defence Minister, when asked if Turkey was buying the aircraft said "Ask the Turkish defence minister."

Egypt got the F-4s in a $594m deal concluded in July, 1979.

● Greece is negotiating with France for a multi-million dollar purchase of about 20 advanced Mirage 2000 fighter aircraft, Reuter reports from Paris. Military officials said a delegation from the state-controlled Marcel Dassault company was in Athens to work out an agreement and Greece was likely to make a decision shortly.

UK offers aid to India

By K. K. Sharma in New Delhi

BRITAIN yesterday offered additional aid to India—possibly totalling £450m—for another 1,000 MW thermal power plant and part of a steel plant to be set up in Orissa state.

British interest was also indicated in a zinc smelter in Rajasthan State, a telecommunications project in Kerala and the modernisation of the Durgapur steel plant in West Bengal.

The offer of British aid and participation in these projects was made when Mr Peter Rees, Minister of Trade, began talks during a two-day visit at the invitation of Mr Shivraj Patil, India's Minister of Commerce.

The main offer is to help build the thermal power plant on the pattern of the Rihand project in Uttar Pradesh which was awarded to a British consortium led by Northern Engineering Industries last October.

The offer is certain to be met with enthusiasm, especially as it could mean almost all the financing will be provided by Britain.

British participation in the Rajasthan zinc smelter and the Daitari (Orissa) and Durgapur steel plants was discussed when Mr Rees met Mr N. D. Tiwari, Indian Minister of Industry, Steel and Mines.

Britain lost a contract for the Orissa steel plant when a letter of intent awarded to Davy McKee was revoked last May.

British Steel is now bidding for a substantial part of the Daitari steel plant, the prime contractor for which is now the Indian Government-owned Mecon. British aid of around £100m is expected to be offered for the project.

Agreement expected on aluminium plant

FRENCH and Quebec officials are expected to sign an agreement in June allowing France's Pechiney Ugine Kuhlmann (PUK) metals group to build a $1bn aluminium plant in the Canadian province, AP-DJ reports from Paris.

PUK won a tentative contract last March to build the plant at Trois Rivieres. Premier Rene Levesque of Quebec is expected to sign the final agreement on a visit to France in June.

Exporters seek clarification of Nigerian import restrictions

BY PAUL CHEESERIGHT AND QUENTIN PEEL

EXPORTERS to Nigeria face two new deadlines if they hope to avoid the latest round of import restrictions announced by the Nigerian government last week.

However, many goods already ordered by Nigerian importers will now be held up until import licences have been issued, if they were not shipped before January 1.

Major British exporters to Nigeria — the UK's largest export market outside Europe and the U.S. — are seeking urgent clarification of the new measures, which have added more than 150 general categories to the list of goods requiring specific import licences, as well as imposing sharp tariff increases on many items.

The effect of the latest round of controls is not only to consolidate and expand restrictions already in place but to place all import commodities of any significance under the import licensing system.

At first sight the whole battery of measures looks formidably restrictive, especially when they are seen in relation to the difficulties which exporters have had for the past year in obtaining payment for their shipments in foreign exchange.

The new deadlines for exporters only benefit those whose goods are covered by irrevocable letters of credit dated before December 16 (for goods travelling by sea) and before January 1 (for air freight and overland goods); land and seaborne goods must arrive in Nigeria by March 30, or by January 30 by air, if they are to escape the licensing requirements.

There are no exemptions for those trading on open account, which involves about one-third of non-government imports; if goods are not shipped before January 1, import licences will be needed. As a result, at least one major exporters was forced to offload goods already on board ships leaving for Lagos.

> What is needed to beat the new curbs:
> ● Bill of lading or air waybill must be dated before January 1, 1983, or
> ● Irrevocable letter of credit opened in Nigeria before December 16, 1982 (for goods imported by sea) or before January 1, 1983 for goods imported by land or air
> provided that
> ● Goods arrive in Nigeria on or before March 30 (by sea or land) and on or before January 30 (by air).

The new measures are intended to reduce Nigeria's import bill to around Naira 600m (£545m) a month, compared with an estimated current level of N800m-N900m, because of the country's balance of payments crisis. Oil production last year —which accounts for more than 90 per cent of the country's exports—averaged only 1.3m barrels a day, producing foreign exchange earnings of less than N800m a month.

Although Nigeria's foreign exchange reserves have stayed roughly constant in recent months at around N800m, the delays in foreign exchange remittances have increased to an average of around three months.

Although the secondary aim of the new restrictions is to protect Nigerian-based manufacturing industry, companies with such operations fear the measures could still cause serious disruption to their factories.

The import licensing procedure has yet to be established, and company officials say there are still no application forms available in Lagos. They are also concerned that the issue of import licences has in the past frequently been used as a form of political patronage.

"We are keen to ensure that established businesses in Nigeria are not disadvantaged compared with people in politics," according to one leading businessman. "The import licensing system is open to abuse, particularly in the run-up to this year's election."

The more immediate question is to determine what the latest batch of regulations mean. The list of products added to the schedule for import licences — published in an extraordinary government gazette last week— is extremely vague.

It includes such categories as "engines and parts," "industrial machinery," "paper" and "plastic goods."

Another problem is that where specific tariff classifications are given — as in the case of milk powder — the classification cited actually includes more than that product, and it is unclear whether the new restriction applies just to milk powder or to all goods under the same classification.

The mechanics of the import control system remain the same. First the importer must obtain a licence, then apply for the Form M which gives permission to use foreign exchange, and then seek a letter of credit.

Car component groups to cut 1,400 jobs

BY ARTHUR SMITH

THE TROUBLED motor components industry plans to axe another 1,400 jobs in the already-depressed West Midlands.

Continued weak domestic demand and fierce international competition in the automotive sector, are blamed.

● Automotive Products, a leading supplier of clutches, brakes and steering equipment, said it was necessary to shed about 600 jobs. The company has already cut its work force from 12,000 to 8,500 in just two years. There are fears of further contraction, unless markets improve.

● Lucas Girling, a dominant supplier of brakes, is to close a Birmingham factory and eliminate 550 jobs. Union leaders fear many more jobs could go within the electrical components division, which is expected to make a statement on production plans before the end of this month.

● Birmid Qualcast is closing its Coneygre foundry at Tipton, with the loss of 236 jobs. The foundry is a key supplier of blocks for diesel engines used in commercial vehicles. The move is seen as the first stage of another shake-out in the ferrous foundry industry, where there is extensive short-time working. The leading companies have entered into talks with Lazard Brothers, the merchant bankers, about a rationalisation scheme.

Yesterday's series of announcements aroused renewed concern about the rapid erosion of the West Midlands industrial base, and underline structural changes now taking place in the once-prosperous motor components sector.

Suppliers to the UK car and commercial vehicle assemblers, disturbed by low purchasing schedules, are again looking at production, productivity and capacity. A key factor in the forthcoming shakeout will be decisions over the next few months by Austin Rover, BL's volume cars division, which has made clear it will switch orders overseas, unless UK suppliers can at least hold unit prices.

The Department of Industry, which has asked BL to delay the placing of big contracts for two months, is clearly concerned about the consequences of projections, which could result in BL meeting more than 40 per cent of its components requirements from overseas within the next four years.

The Department, while maintaining a non-interventionist stance, is thought to be making it clear to the leading components companies that government money is available for any rationalisation under new technology schemes or the Industry Act.

Foremost among such projects must be the proposed joint venture between Lucas Industries and Smiths Industries to give a lead in providing a full range of electronic systems for the automotive industry.

● Our Labour Staff adds: Union leaders at Ford's body and assembly plant at Halewood, Merseyside, yesterday refused to agree to the company's plans to cut the workforce by 1,300.

At the end of a meeting of management and unions in the joint works committee, unions said they would refer the matter to national level. They claimed that major elements of the package presented by Ford contravened national union positions.

Ford's planned reduction represents one in seven of the plant's 9,700 hourly-paid workers. It hopes to achieve the cuts by April, by means of voluntary redundancies and early retirement.

MEASURES ON INDUSTRIAL DEMOCRACY CHALLENGED

Tebbit fights EEC law

BY JOHN LLOYD, LABOUR EDITOR

MR NORMAN TEBBIT, the Employment Secretary, said yesterday that he was "deeply sceptical" about European Community plans for legislation on industrial democracy.

Mr Tebbit said: "I have strong doubts about the alleged need for the whole community to be forced into a Brussels straitjacket on this issue. Our view is that employee involvement is best developed voluntarily and without the imposition of rigid legal systems."


Tebbit: 'harmful legal requirements'

The minister, who was addressing an industrial relations conference in London, came close to pledging a UK Government veto on EEC legislation if British employers could show that they were adopting better systems for informing their workers of decisions.

The EEC measures, known as the Vredeling proposals and the Fifth Directive, lay down structures for employee involvement in companies and give extensive rights to information. The measures have been amended and passed by the European Parliament and are to be redrafted over the next few months by the European Commission before going to the Council of Ministers.

Mr Tebbit said: "There will be attempts to force Brussels legislation on us and there will be a propaganda war. If we are to carry public opinion here in Britain to back our efforts to avoid harmful legal requirements, then companies need to do far more to demonstrate the merits of flexibility and the positive steps which they have taken."

The minister stressed the need for companies to adopt new procedures. For informing workforces as a safeguard against the legislation. Such action would "strengthen my hand" in negotiations in Brussels, he said.

Earlier this week, the Government published a Green Paper (discussion document) on trade union reform and, yesterday, Mr Tebbit fiercely attacked union leaders.

He said: "It is crystal clear that trade union members are losing confidence in their leaders. But the leaders seem to think that alone of all institutions in society the trade unions stand immaculate, without blemish, beauteous to behold. That is ridiculous."

The minister continued: "The arrogant misuse of wealth and power of trade unions to serve the political ambitions of unrepresentative leaders has been a growing scandal and a growing cause of public concern.

However, a possibility of talks between the Trades Union Congress (TUC) and Mr Tebbit on the proposed reforms arose yesterday. Mr David Basnett, general secretary of the General Municipal and Boilermakers Union and a senior TUC figure, said that the TUC had not wholly rejected discussion on reform.

Mr Basnett added that "prejudice, abusive and unbalanced attacks" made any dialogue between the TUC and Mr Tebbit difficult.

● The Trades Union Congress (TUC) is to call for an immediate injection of £10bn into the economy this year, to reduce unemployment by more than 500,000. The demand is contained in final drafts of the TUC's annual Economic Review to be published later this month.

Tariff rises deferred as British Telecom profit is trebled

BY GUY DE JONQUIERES

BRITISH TELECOM (BT) has again deferred a tariff increase after reporting a trebling of its first half profit and a sharp drop in projected capital spending this year.

Profit after interest for the six months to September 30 rose to £268m from a restated £89m in the same period of the previous year. Before restatement for accounting changes, the previous year's first half result was £140m. Turnover increased to £3.1bn. (£2.7bn).

BT said that its next tariff increase would not take place "until at least July 1 this year." It last raised charges – by an average of 9.5 per cent – in November 1981.

It had planned to increase tariffs by 3.3 per cent last November. Then it announced last autumn that it was postponing the move until next April, after reporting a rise of almost four times in last year's profits to £457.8m.

Internal estimates at BT – which the Government plans to privatise after the next general election – point to a profit of £500m to £550m during the current year. That would be well up to the Government's target of a 6 per cent return on capital.

BT attributed its latest profit improvement chiefly to tighter control over staff costs and other overheads, falling interest rates and tougher procurement policies which have achieved better value from its suppliers.

The volume of telephone calls rose by 5.5 per cent during the first half and the number of customers served rose by 425,000.

Estimated capital spending this year has been cut from £2bn to £1.5bn, the same as last year, and will be financed entirely from BT's cash flow.

According to BT, the cut is due to more stable equipment prices, delays in deliveries by suppliers, increased internal efficiency and to reduced demand stemming from the recession.

BT has recently stepped up orders for equipment including System X electronic exchanges and optical fibre cables. But its capital investment next year is not expected to exceed £2bn.

The capital spending outlook contrasts sharply with the position less than 18 months ago, when BT was insisting that it must be allowed to raise tariffs and borrow more heavily to finance planned investment.

BT also announced some further price cuts yesterday. These include a rebate scheme for low-volume telephone users, an extension of all-day cheap rates to bank holidays and abolition of the £10 charge to customers who move to new premises.

Redland in rival £34m bid for brickmaker

By Charles Batchelor

REDLAND, the building materials group, has made a rival £34.7m bid for the brickmaker Ibstock Johnsen. This tops last month's bid for Ibstock by London Brick by £6.3m.

The new bid is expected to delay a ruling by Lord Cockfield, the Trade Secretary, on whether London Brick's agreed bid should be referred to the Monopolies and Mergers Commission.

Redland argues that the acquisition of Ibstock will give the combined group a broad geographical spread. Both companies make quality facing bricks – Redland operates chiefly in south east England while Ibstock is mainly in the Midlands and north west of England.

A combination of the two companies would raise Redland's stake of the UK brick market from 4 to 11 per cent. This compares with the 46 per cent market share which would be held by a merged London Brick-Ibstock and makes the bid less likely to run into monopolies objections, Redland believes.

Redland's entry into the Ibstock arena comes less than a month after it announced that it was paying £43m for an 80 per cent share in a Texas-based limestone quarrying company, Boston Industries

Lex Page 14

UK 'needs to make *insurance* reforms'

By John Moore, City Correspondent

THE superintendent of insurance for the state of New York has told legislators in the UK that major reforms need to be carried out in the British insurance community to prevent international fraud.

Mr Albert Lewis, the insurance superintendent, has written to members of the House of Commons with a series of radical suggestions for overhauling the insurance community in the UK.

In his letter Mr Lewis outlined a six-point plan designed to protect the international insurance community from fraud. He said that:

● An objective UK regulatory body should be created to govern the conduct of insurance brokers, operating both inside and outside the Lloyd's insurance market. This governing body "should have the ability to investigate and prosecute violators and should have the power to levy monetary fines and to suspend or revoke licences."

The powers of the new body "should also prevail over any or all parties who attempt to do a part or portion of the broker's function, using the titles of consultants, associates or intermediaries. Any action of this body should be made public."

● Greater use of criminal prosecution in Britain was "the best method of preventing fraudulent activities." Mr Lewis said, "the alleged hesitancy to prosecute complex insurance frauds must be refuted by criminal prosecution."

● Brokers and agents must be required to maintain certain specific minimum records, which would permit a full accounting for each and every transaction relating to each and every insured or insurer that the agent or broker represents.

Mr Lewis argued that current accounting standards were insufficient and permitted "fraudulent practices to continue without early detection. This poor record-keeping gives perpetrators an opportunity to delay litigation and investigation, during which every item of accounting is re-examined and contested."

● Brokers and agents should be required to maintain separate trust accounts for each for their principals.

● Full disclosure should be made of any Lloyd's broker's interest in non-Lloyd's brokerage. A full disclosure should be made by all brokers of any equity interest they have in insurers.

● There should be an enactment by parliament "of a privilege and immunity statute, protecting Lloyd's and any regulatory agency chargeable with investigation and prosecution of brokers and agents, to exchange information with federal or state law eforcement agencies, as well as a state insurance commissioner or the National Association of Insurance Commissioners."

Air fares on North Atlantic to be cut

SOME air fares between the UK and the U.S. are to be cut sharply from April 1. British Airways, Pan American and Trans World Airlines applied for the reductions last October, and the UK Civil Aviation Authority has now agreed to them.

As a result, an Advanced Purchase Excursion (Apex) fare between London and New York will cost £329 return this summer. That is a reduction of £56 on the fare last summer. The Apex return between London and Los Angeles, Seattle and San Francisco will be cut from £534 to £449.

There will be comparable reductions in Apex rates between London and other U.S. cities served by the three airlines.

Call to cut taxes

THE INSTITUTE of Directors is urging that cuts in personal taxation should take precedence over measures intended to give direct help to business.

The institute, in its pre-Budget representations to the Chancellor of the Exchequer, wants taxes to be reduced by £2.3bn, mainly by an increase in personal allowances and a cut in income tax by 1p in the pound.

TV dispute deadlock

THE FUTURE of TV-AM, the commercial television breakfast show due to broadcast for the first time on February 1, was still in the balance last night after the breakdown of talks between the actors' union, Equity, and the Institute of Practitioners in Advertising, which represents most advertising agencies.

Solar experiment

BRITISH PETROLEUM is to build an experimental solar power plant near Southampton at a cost of £900,000. It will be the largest of its kind in the UK, but will provide only enough electricity for the equivalent of 30 one-bar electric fires.

Record Rolls exports

ROLLS-ROYCE car production fell 22 per cent from 3,100 in 1981 to 2421 last year. Nevertheless the company achieved record export sales of £89m, an increase of £6m over 1981.

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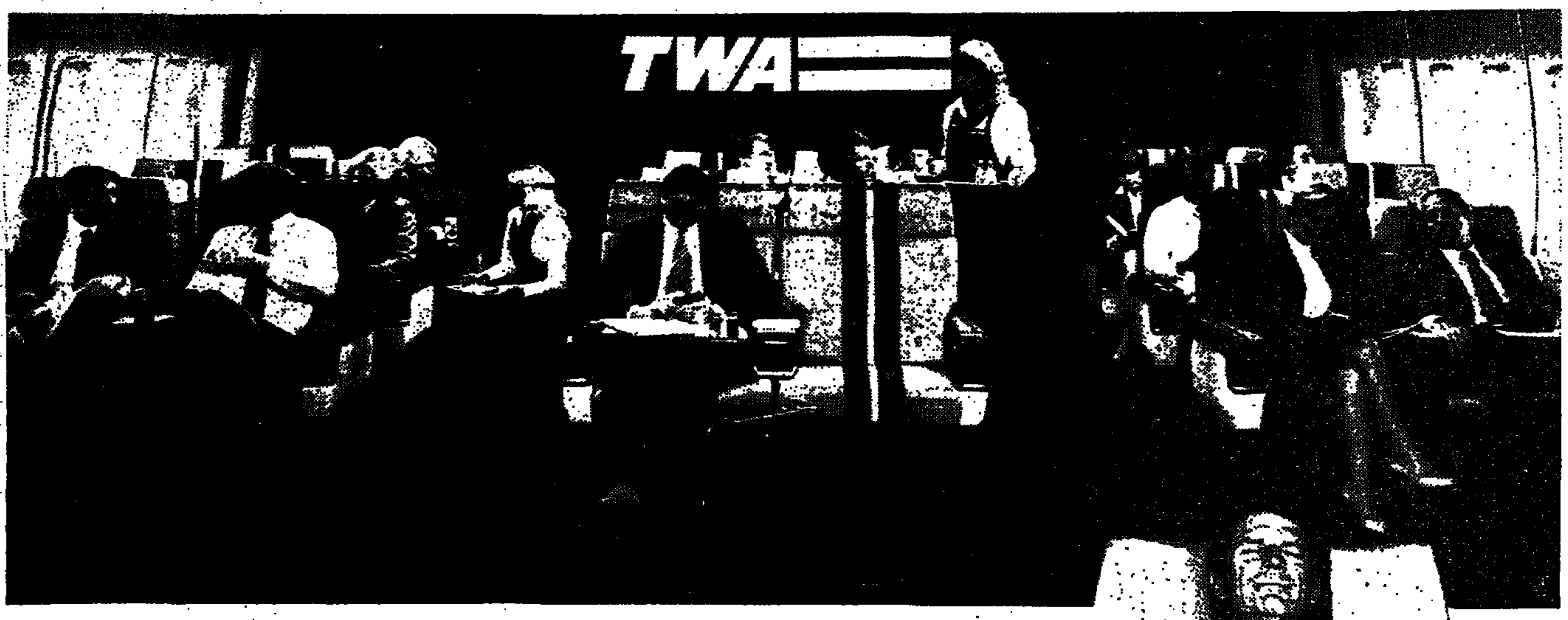

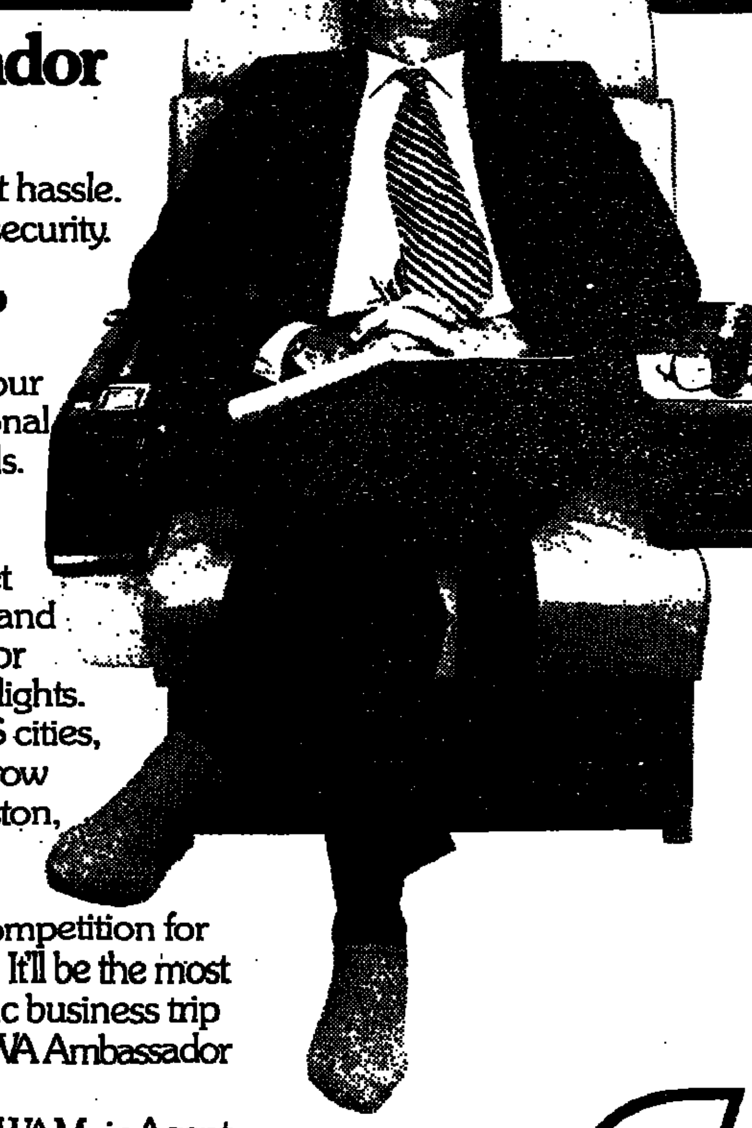

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TECHNOLOGY

EDITED BY ALAN CANE

TELEVISION COMPANIES MOVE INTO ELECTRONIC JOURNALISM

Computer with a whole show in store

BY ALAN CANE

CRIES OF "Log off"* are echoing round Lime Grove studios production rooms as Breakfast Time, the BBC's early morning news and comment show, moves towards its launch date.

This splendid new expletive seems to be replacing more traditional oaths and indicates not only the heightened tension as the production team starts its countdown to Monday morning, but also the growing acceptance of an electronic system of programme management which did not exist a year ago, but which now seems absolutely indispensable.

Now computerised newsrooms scarcely cause raised eyebrows in the U.S., but in the UK they are still a novelty. Television companies moving into new ventures seem to have taken the opportunity to bring their journalism and news administration up to date as part of their package of innovation. So Channel Four uses a system called Basys bought in from a small Californian company of the same name. The Basys product will also be used by TV-AM, the commercial breakfast television show due to be launched on the first of next month.

The BBC has used a combination of hardware and software bought off the shelf from the U.S. electronics major Hewlett Packard and its own software experience to create a tailor-made system. Systemsolve, the Sunbury-based software house, provided much of the programming skills.

The whole BBC system has probably cost about £500,000 to build and instal, helped by a £250,000 grant from the Department of Industry under its programme of awards to encourage innovation in electronics.

TV-AM's Basys computers cost a great deal less—around £100,000—and the BBC's DoI grant certainly turned a number of the commercial company's finance people green with envy.

How did each company select its chosen system? Mr Geoff Monks, chief engineer at TV-AM argues that the Basys system was already tried and tested. Basys has also supplied many of the new electronic news gathering systems in the U.S., especially around the Dallas area.

Trevor Humphries

Frank Bough and Selina Scott, BBC's Breakfast Time presenters, with producer Ellie Updale at a visual display screen. The computer stores scripts and administrative details of each day's programme, including detailed background information on the personalities to be interviewed. The system also feeds scripts directly to the autocue

For the BBC, Mr Tam Fry, a producer/director with major responsibilities for the project points out that Basys is a small company, based many thousands of miles away from Lime Grove: "We knew that Hewlett Packard hardware is reliable, and it has a store 250 yards down the road from these studios. When we hit a glitch, the guy there comes running."

"In the early days when we had a cooling problem he was out of bed and here in under 45 minutes. Now we have an HP engineer on site."

What both systems are designed to do is cut down on paper. The BBC system is used for both journalistic work—the creation and editing of material for use on the programme, and for administration. As yet, the TV-AM computer is only for journalism. Stories and features which come in over the telephone and telex wires are fed automatically into the computer from which they can be retrieved, modified, expanded and edited by journalists working at visual display units. The output is fed directly to the autocue, the televised prompt designed to ensure that newsreaders are word perfect.

Eventually, Mr Monks sees computers taking more of the administrative load as the various systems—"this place is knee deep in computers"—are taught to talk to each other. In addition to the Basys machines, TV-AM has a Newspeed electronic journalism system from Protel, a UK company for which Mr Monks has high regard. Newspeed is already in use at TV South.

The BBC system will not accept input directly from the telex lines although Mr Fry is looking for this facility in the future. It does, however, feed the autocue. Mr Fry points out: "A programme like Nationwide uses nine or so items of news. It take two hours to type out the autocue script on to paper using typewriters with a specially large typeface."

"In the two and a half hours of Breakfast Time, we might run 75-100 individual items, yet with our new system it takes one girl only a few minutes to press the keys to load electronically prepared scripts on to the autocue."

Mr. Fry, who has been involved with all the BBC major special projects over the past few years including the General Election coverage argues: "It would have been really difficult to get this show on the air without the help of this system. We would have needed more people and more office machines . . . . it would have been a real sweat."

As it is, the BBC team has got the system to readiness in a remarkably short time. The decision to use the Hewlett Packards (3000 series, large machines, paired for safety) was taken only in July last year. Now Mr Tony Crabb, managing editor of Breakfast Time, believes the system is 75 per cent complete.

There is still plenty of paper about, if rather less than before. Directors still work from documents rather than visual display screens but much of the administrative detail of each morning's show—the skeleton, as Mr Fry puts it—has been secured in the memory of the computer for easy reference by any member of the production staff.

Tam Fry says: "Lots of items in a programme like this are repetitive—the weather forecast, the national news headlines and so on. These form the skeleton of the programme. It made sense to us to store all that material in a dumb machine like a computer which could then be instructed to spew it out to whoever needed it."

Compared with the TV-AM Basys system, with only 13 visual display screens attached to the computer, the BBC operation is huge. It has 38 terminals in operation which generates its own problems "We have discovered that far more people than we anticipated wanted to do things on the system—we have had to tell people that they cannot all be editors."

By Monday, the BBC team will know how well their system works when use in earnest. The next programmes to get the treatment are likely to be News night and Nationwide, Tam Fry's next task. For the TV-AM crew, there will be a couple more weeks of nervous tension to see if Basys will take the strain.

* "Log-off": command indicating a user is leaving the system.

● The BBC announced yesterday that it was launching a new venture in electronic publishing in collaboration with Datasolve, a large commercial computer bureau now owned by Thorn EMI.

The new venture is called World Reporter; the text of the BBC's overseas news broadcasts and information gathered by the BBC monitoring service is stored on Datasolve's computers at Sunbury. Subscribers to the new service can receive the information on visual display terminals in their offices.

Video

Graphics control

A VIDEO graphics controller which allows the addition of a black and white or colour display facility to an existing computer system is available through the Distribution Division of Marconi Electronic Devices (Tel.: 01-904 9303).

The device is the Intel SBX 275 which can support a 512 x 512 pixel screen for a black and white display and a 256 x 256 colour display. Marconi says that the equipment is compatible with many computer systems.

Components

Display drivers

TWO models of high voltage CMOS display drivers have been announced by AMI in Swindon. The devices are intended for operating with vacuum fluorescent displays in industrial and automotive equipment.

The S4534 is a 10 bit, high voltage/high current driver able to deliver 60V at up to 50mA from an external supply. The S4534 is a 32 bit device which has a current rating of 25mA at 60V. More information is available from AMI on 0793 37852.

Offshore

Switching on underwater equipment

A SIMPLE remote control system for underwater equipment used by the offshore oil industry has been developed by Telemar, which is based in Aberdeen.

In its first application the system has been used to trigger an underwater still camera attached to a free-roving vehicle. This is part of a marine biological research programme in continental shelf waters.

Telemar says that its system can easily be used to control a wide variety of equipment at a reasonable price. It consists of a small transmitter and a reciever housed in a small pressure vessel.

The basic system allows a single command with no return communications path. However Telemar say that multiple channel and multiple command operation together with telemetric monitoring is possible. More information is available from Telemar on 0224 822340.

Software

DEC links to Peachtree

PEACHTREE Software International has been selected by DEC to supply software for DEC's whole range of personal computers. Some of the packages available on the system include word processing, automatic spelling dictionary, communications and financial modelling.

Also the Peachtree M BASIC systems offer a range of accounting packages including purchase ledger, sales ledger with invoicing, nominal ledger, inventory management and payroll. More information is available from Peachtree on 0628 32711.

Monitoring

Surveying the plant

A SYSTEM that will monitor the parameters of various kinds of plant, for example on a ship or in an industrial application has been developed by YARD, the Glasgow firm of consulting engineers. Two surveillance levels are employed by the system. The first basically takes care of emergencies so that, if any temperatures, pressures or other measured values exceed a specified safety limit, console alarms are activated.

A secondary surveillance level embraces all those parameters needed by the operators and maintenance engineers to ensure smooth running of the plant.

Information is collected, processed and transmitted to a central surveillance unit where it appears on plasma panels as indexed pages of information.

Pages can contain selected information, updated on a continuous basis, or "history" can be shown in the form of graphs or histograms. More on 041-204 2737.

Machine drives from THORN EMI Automation
Rugeley, Staffs, England
Controls for industry

Electronics

CMOS comes back into fashion

SEMICONDUCTOR manufacturers are moving swiftly to develop new families of silicon chips fabricated in complementary metal oxide silicon technology (CMOS).

This is a comparatively old-fashioned method of making chips which has come back into favour because CMOS chips require significantly less power than some of the more popular fabrication technologies.

Hitachi, for example, has just launched a new family of CMOS peripheral chips designed to support 8-bit microprocessor families.

The new range includes peripheral interface adaptors, asynchronous communications adaptors, programmable timer modules and a real time clock.

The devices have high noise immunity and will work from battery voltages ranging from three to six volts. Hitachi in the UK is on 01-861 1414.

Control

Push/pull actuators

A NEW version of the LC6.0 electric actuator is now available from Portescap UK on 0734 861485. The actuator is capable of operating in either a push, pull or push/pull mode. The company says that the combined operation makes the device more versatile without a sacrifice to overall performance.

The actuator has a stroke length of 200mm and the nominal force is 5,000 N. It operates from the standard AC mains and has a current consumption on full load of 1.6A.

When industry felt the wind of change, many companies wished they had built their future on firmer foundations.

It was one of BTR's strong points.

As an international force, we operate in the world's key industrial markets. We have the strength to finance new investment and the expertise and resources to keep growing.

From strength to strength.

That's BTR

BTR plc Silvertown House
Vincent Square London SW1P 2PL
01-834 3848

COMPANY NOTICES

ROWNTREE MACKINTOSH INTERNATIONAL FINANCE B.V. £18,000,000 10¼% STERLING FOREIGN CURRENCY BONDS 1988

NOTICE IS HEREBY GIVEN that, in carrying out the operation of the sinking fund of 15th February, 1983 in respect of the above Loan, Bonds for £992,000 have been purchased and the undermentioned Bonds amounting to £208,000 were on 10th January, 1983 drawn by lot by RICHARD GRAHAM ROSSER (of Messrs. De Pinna, Scorers and John Venn) Notary Public, for repayment at par on 15th February, 1983, from which date all interest thereon will cease:–

BOND NUMBERS

30	172	250	331	484	525
618	734	887	966	1081	1173
1225	1319	1442	1578	1637	1775
1859	1927	2034	2182	2293	2382
2464	2537	2871	2722	2833	2984
3067	3183	3255	3324	3475	3580
3691	3768	3833	3985	4061	4107
4224	4344	4463	4532	4828	4774
4819	4942	5061	5121	5271	5316
5795	5804	7136	8287	8311	8395
8466	8532	8594	8675	8779	8811
8895	8966	9042	9072	9119	9188
9233	9297	9317	9362	9444	9490
9521	9637	9722	9835	9889	9936
10041	10081	10132	10243	10381	10466
10521	10563	10677	10731	10882	10907
10982	11026	11145	11293	11342	11418
11466	11539	11625	11772	11823	11897
11909	12015	12133	12214	12259	12349
12468	12511	12632	12683	12791	12858
12914	13067	13143	13258	13286	13311
13396	13432	13525	13637	13718	13779
13812	13884	13921	13992	14012	14076
14118	14173	14222	14275	14326	14433
14476	14509	14587	14623	14684	14733
14796	14825	14920	14985	15007	15061
15121	15180	15214	15285	15336	15363
15474	15513	15582	15615	15683	15726
15778	15833	15868	15914	15997	16028
16077	16123	16186	16284	16322	16383
16435	16473	16522	16634	16689	16718
16783	16822	16859	16912	16972	17006
17070	17124	17238	17285	17321	17382
17432	17522	17583	17627	17672	17733
17823	17894	17923	17980		

208 Bonds @ £1,000 = £208,000

The above-mentioned Bonds with Coupons due 15th February, 1984 attached may be lodged for repayment on or after 15th February, 1983 at the offices of J. Henry Schroder Wagg & Co. Limited, Coupon Department, 120 Cheapside, London EC2V 6DS between the hours of ten and two o'clock and at J. Henry Schroder Bank & Trust Company, 1 State Street, New York, N.Y. 10015, Societe Generale de Banque S.A., Montagne du Parc 3, 1000 Brussels, Banque Generale du Luxembourg S.A., 14 Rue Aldringen, Luxembourg and Algemene Bank Nederland N.V., Vijzelstraat 32, Amsterdam.

LONDON: 14th January, 1983

ALCAN AUSTRALIA LIMITED

US$75,000,000

Floating Rate Notes due 1989

In accordance with the Provisions of the Notes, notice is hereby given that the rate of interest for the period 14th January, 1983 to 14th July, 1983 has been fixed at 9.1875 per cent per annum.

On 14th July, 1983 interest of US$461.93 per US$10,000 nominal amount of the Notes, will be due against interest coupon No. 3.

Swiss Bank Corporation
International Limited
Reference Agent.

U.S.$50,000,000.—

Floating Rate Notes due 1986

PRIVREDNA BANKA ZAGREB

Privredna Banka Zagreb has informed Credit Lyonnais, as fiscal agent for the above issue, that it will remit to Credit Lyonnais on 14th January, 1983 the amount of US$5,000,000 in satisfaction of its obligation to redeem the notes the serial numbers of which were published on 9th December, 1982, of which the due date fixed for redemption was 24th December, 1982.

HITACHI ZOSEN KABUSHIKI KAISHA

(HITACHI ZOSEN CORPORATION)

U.S.$30,000,000

7¾ per cent Guaranteed Notes due 1984

Holders of Notes of the above named Loan are advised that the remaining U.S.$6,201,000 nominal notes outstanding will be redeemed at par on 15th February 1983.

On 15th February 1983 there will become due and payable upon each note outstanding, the principal amount thereof together with interest to said date at the office of:

THE BANK OF TOKYO TRUST COMPANY,
100 Broadway,
New York N.Y. 10005

or any one of the other paying agents named on the notes. Interest will cease to accrue on the outstanding notes on 15th February 1983.

The following notes, drawn for redemption on 15th February 1982, have not yet been presented for payment:

487, 488, 490, 492, 494, 1100, 4713, 4715, 4717, 4718, 4720, 4722, 4724, 4726, 11211, 11212, 11214, 11216, 11218, 11220, 26501, 26503, 26504, 26506, 26508, 16510, 16512, 26514, 26517, 26519, 26521, 26523, 26525, 26527, 26528, 26530, 26532, 26536, 26538, 26539, 26541, 26543, 26545, 26547, 26549 and 26550.

HITACHI ZOSEN CORPORATION

CHECKERS STORES LIMITED

(formerly Greatermans Stores Limited)

NOTICE TO SHAREHOLDERS
DIVIDENDS ON PREFERENCE SHARES

NOTICE IS HEREBY GIVEN that the Board of Directors has declared the following dividends payable on 28 February 1983, to 6%, 5%, Second 5% and Third 5% Preference Shareholders respectively, registered in the books of the Company at the close of business on Friday, 28 January, 1983.

A—6% CUMULATIVE PREFERENCE SHARES—DIVIDEND NO. 94
A dividend at the rate of 6% per annum for the six months ending 28 February, 1983—equivalent to 6 cents per share.

B—5% CUMULATIVE PREFERENCE SHARES—DIVIDEND NO. 80.
A dividend at the rate of 5% per annum for the six months ending 28 February, 1983—equivalent to 5 cents per share.

C—SECOND 5% CUMULATIVE PREFERENCE SHARES—DIVIDEND NO. 74.
A dividend at the rate of 5% per annum for the six months ending 28 February, 1983—equivalent to 5 cents per share.

D—THIRD 5% CUMULATIVE PREFERENCE SHARES—DIVIDEND NO. 72.
A dividend at the rate of 5% per annum for the six months ending 28 February, 1983—equivalent to 5 cents per share.

The dividends are declared in South African currency and dividends payable from the London Office will be paid in United Kingdom currency calculated at the rate of exchange ruling between Rand and Sterling on 16 February, 1983.

Dividend cheques despatched from the London Office to persons resident in Great Britain or Northern Ireland will be subject to a deduction of United Kingdom Income Tax at rates to be arrived at after allowing for relief (if any) in respect of South African Taxes.

The Company will, where applicable, deduct the Non-Resident Shareholders' Tax of 15% from dividends payable.

For the purpose of paying the above dividends the share registers in respect of the above Preference Shares will be closed from 29 January, 1983 to 11 February, 1983, both days inclusive.

Dividend cheques in payment will be posted on or after 28 February, 1983.

By Order of the Board,
B. C. CRAGG, Secretary.

Registered Office:
220 Commissioner Street,
Johannesburg, 2001.
South African Transfer Secretaries:
Central Registrars Limited,
154 Market Street,
Johannesburg, 2001
(P.O. Box 4844,
Johannesburg, 2000).
London Transfer Secretaries:
Granby Registration Services,
Bourne House,
34 Beckenham Road,
Beckenham,
Kent. BR3 4TU.
United Kingdom.

SOLVAY & CIE S.A.

The Directors of the Company have declared an Interim Dividend for 1982 of 70 FB net on A and B shares and 28 FB on C shares (the latter 40% paid up).

Payment will be made by Belgian Franc Draft, or, in sterling at Bankers sight buying rate for BF's on day of presentation at the option of the holder, against presentation of coupon No. 25 at the offices of J. Henry Schroder Wagg & Co. Limited, 120, Cheapside, London EC2 or Banque Belge Limited, 4 Bishopsgate, London EC2 between the hours of 10 a.m. and 2 p.m. (Saturdays excepted) on or after Tuesday 25th January, 1983.

U.K. Tax will be deducted from the net dividend unless lodgements are accompanied by the necessary Affidavits.

Payments can only be made to persons residing outside the Belgo-Luxembourg Customs Union.

Under the terms of the U.K./Belgian Double Taxation Convention shareholders residing in the U.K. are eligible, upon submitting a duly completed form 276 Div (G.B.) to a partial reimbursement of Belgian Withholding Tax equal to 6.25% of the net dividend.

MANUFACTURE FRANCAISE DES PNEUS MICHELIN

9.25 per cent 1976/1986
U.S.$75,000,000

The US$2,500,000.- redemption instalment due March 15 1983 has been met by purchases in the Stock Exchange.

Outstanding amount after March 15 1983: US$57,500,000.-

The Paying Agent
BANK PARIBAS
(LUXEMBOURG) S.A.

PUBLIC NOTICES

DERBY CITY COUNCIL BILLS
£1,250,000 due 13th April 1983, issued 12th January 1983 at a rate of 10%. Applications totalling £2,500,000. These are the only Bills outstanding.

DONCASTER M.B.C.
£5,000,000 Bills @ 10%, issued 13.1.83. Applications totalled £38,000,000. No other Bills outstanding.

CITY OF EDINBURGH DISTRICT COUNCIL
£1,500,000 Bills issued on 12.1.83 maturing 13.4.83 at a rate of 10⅛%. Applications totalled £8,000,000. Outstanding Bills £6,400,000.

BOROUGH OF LUTON
£1,250,000 Bills issued on 12 January 1983 at a rate of 10% to mature 13 April 1983. Total applications were £9,000,000 and there were £1,250,000 Bills outstanding.

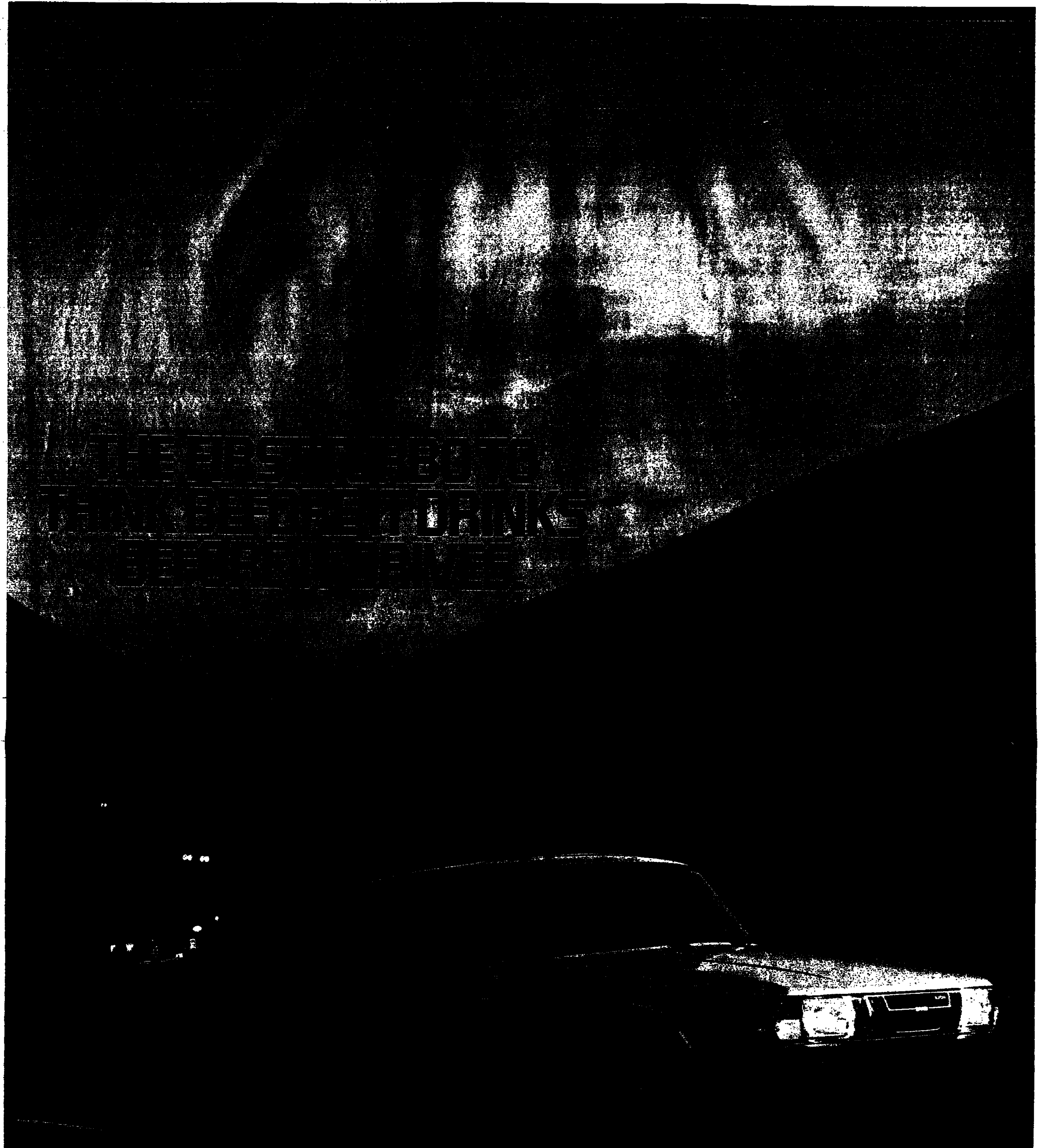
TORBAY B.C.
£400,000 Bills placed 12th January due 13th April, 1983, at 10⅛%. These are the only Bills outstanding.

Electronics

CMOS comes back into fashion

Control

Push/pull actuators



The new Saab Turbo with Automatic Performance Control is the most intelligent turbo ever built.

It's the first to use its own 'brain' to cut fuel consumption and obtain optimum performance.

Until now, all turbos have had to have their maximum boost pre-set at one fixed level. This has been to enable them to cope with the erratic fuel quality and extremes of heat and dryness encountered in many parts of the world; but, for much of the time, in countries such as ours, it's also meant sacrifices in economy and performance.

The new APC System is a means of taking these variables into account and adjusting boost pressure accordingly.

Sensors in the engine constantly monitor the effects of these variables. This information is fed to a micro-chip computer which analyses it to determine exactly how much turbo-boost should be used to obtain maximum performance.

Because it always operates at optimum efficiency, the APC Turbo never drinks a drop more fuel than it needs. As a result it's up to 7½% more economical than its extremely economical predecessor, returning a more than respectable 35 mpg. (The automatic gearbox version shows an even more impressive improvement of 13½%, returning 31.4 mpg.)

And at the same time it's almost a second faster from 40-70 mph, giving even more of the exhilarating surge of overtaking power that the Saab Turbo's always been famous for.

(Another benefit of the APC System's new flexibility is that, should the need arise, it can take low-grade fuel comfortably in its stride.)

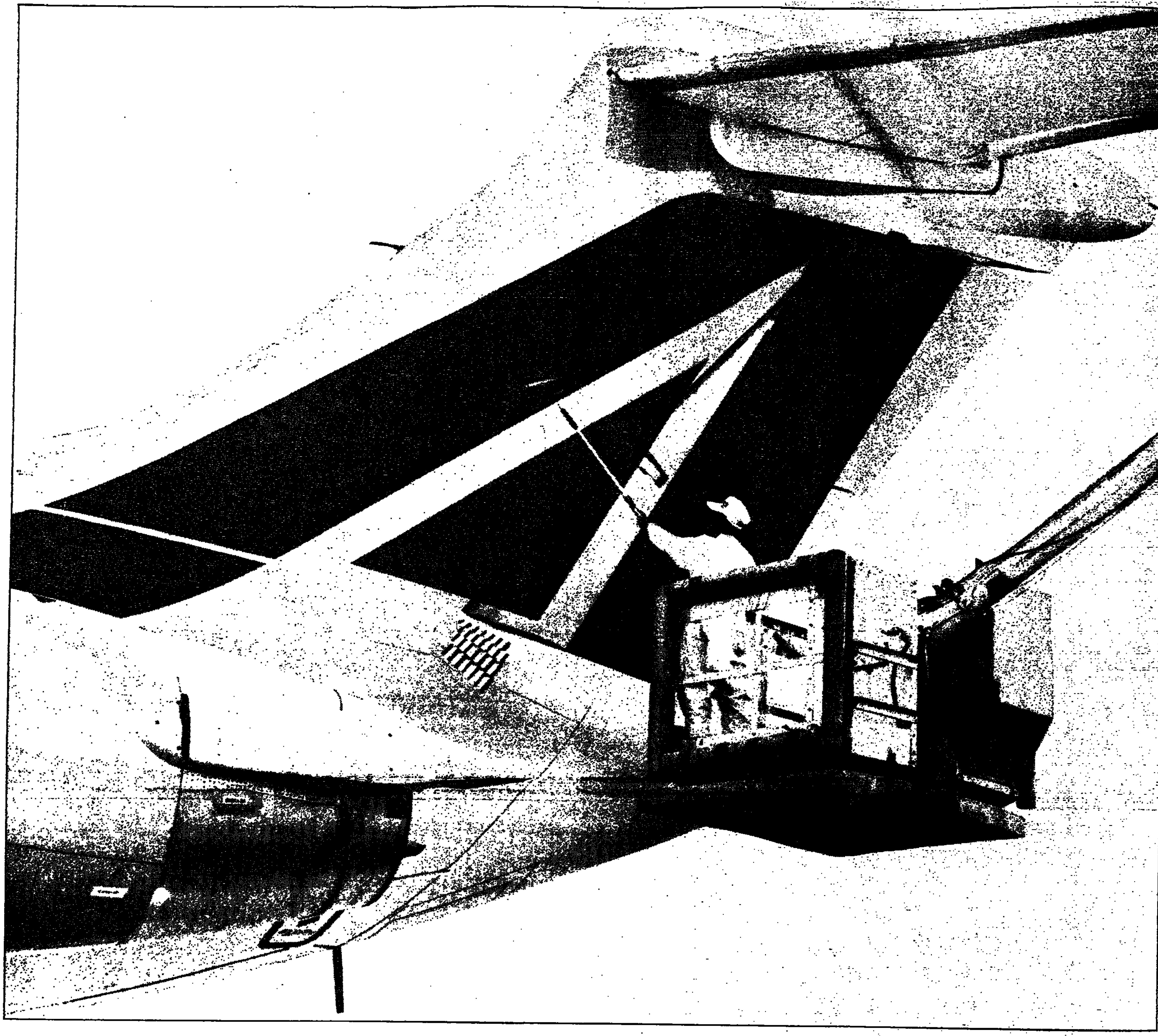
Over the years, Saabs have never been cars for middle-of-the-road motorists: a policy of constant innovation and a willingness to lead the way will only ever appeal to a certain kind of person.

Now, with the arrival of APC, a Saab has something that Saab drivers have always had.

A mind of its own.

SAAB APC TURBO

Official fuel consumption figures for the Saab APC Turbo with manual gearbox are as follows. Simulated Urban Cycle – 19.9 mpg (14.2L/100 km); constant 56 mph – 35.0 mpg (8.1L/100 km); constant 75 mph – 26.3 mpg (10.7L/100 km). The corresponding figures for the automatic gearbox model are as follows. 21.3 mpg (13.3L/100 km), 31.4 mpg (9.0L/100 km); 24.0 mpg (11.8L/100 km). These figures represent the following improvements on the non-APC Saab Turbo. Manual 0.5%, 3.8% and 7.3% respectively. Automatic: 3.9%, 10.2% and 13.7% respectively. Source of performance figures SAAB SCANIA AB. Saab (Gt Britain) Ltd. Saab House, Fieldhouse Lane, Marlow, Bucks. Tel (062 84) 6977. Aftersales Tel: (0604) 43643. Exports Tel: 01-409 0980.



Alitalia buys Super 80 jets.

Alitalia has ordered 30 new McDonnell Douglas Super 80s. Alitalia is the 20th airline to choose the economical and fuel-efficient Pratt & Whitney-powered plane, and the ninth within the last year.

Airlines around the world are moving swiftly toward this popular design because they urgently need the operating efficiency and passenger appeal it offers. The Super 80, ideally sized for the 150-passenger plane needs of the airlines, is priced for today's travel needs and is preferred by knowledgeable travellers by as much as 8-1 over ordinary airliners.

MCDONNELL DOUGLAS

هكذا من الاصل

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Ma Bell's man with a mission

America's Communications Revolution Part 3 by Guy de Jonquieres

ARCHIE McGILL is a man with a mission. As he sees it, his role is to accomplish by any means at his disposal a wholesale cultural revolution inside American Telephone and Telegraph. It is a task which he embraces with evangelical fervour.

"I believe that I have made a fundamental contribution here," he says. "I'm the chief teacher. Teaching is coaching and coaching is the essence of cultural modification. I am damn good at teaching and coaching. I am damn good at perception modification."

As president of the Advanced Information Systems (AIS) division of American Bell, the AT&T subsidiary established to sell equipment and services on the newly deregulated market, he is right on the cutting edge of the company's thrust into the challenging world of telecommunications competition.

Some of McGill's critics within the company, offended by his brash iconoclasm, see him more as Mac the Knife. But he has already done more than anyone except Charles Brown, AT&T's chairman, to prod, coax and cajole the lumbering colossus along the road to the most drastic reorganisation in its history.

He is widely credited with persuading top managers to negotiate the historic anti-trust settlement a year ago, whereby AT&T agreed to dismember its network and shed its 22 local operating companies in exchange for the right to venture into businesses beyond basic telephone service.

What he told them, in effect, was that the time had come to end their consuming, century-old love affair with the vast Bell System network. The future lay instead in marketing innovative equipment for attachment to the network and sophisticated services which could be transmitted on it.

"So far, McGill's got the company to redefine itself; he's got the money, and he's got the law of the land changed," says Howard Anderson, managing director of the Yankee Group, a Boston market research firm. "But AT&T has sacrificed the Bell operating companies. They were one of the finest distribution systems ever invented, and it's expensive to build a new one."

McGill's go-getting style could hardly be in starker contrast to the reassuring image of unshakeable dependability which the Bell System has sought for years to present to the world. Asked to name his heroes, his first choice is a military supremo: "Montgomery. I have a toby jug of him at home." He also admires Chou-en-Lai and Gandhi for their ability to mould the destiny of vast masses of humanity.

His conversation is strewn with references culled from works of pop psychology and self-improvement such as Zen and the Art of Motorcycle Maintenance, Megatrends and Inner Tennis. "You've got to read those books," he says. His boss, American Bell chairman Charles Marshall says approvingly: "Archie has a wide vocabulary of pro-active words."

McGill joined AT&T in 1978—though some older AT&T hands still call him "the new boy in town"—after four years as an independent business consultant to Japanese companies. (He taught himself Japanese while in the U.S. Air Force.) Before that he worked on the marketing side of IBM, where he rose to become the youngest vice president in the company's history.

His remit from John deButts, then AT&T's chairman, was to reorganise its marketing along lines recommended by McKinsey, the management consultancy.

McGill began by breaking down its monolithic sales organisation into smaller elements, defined by categories of business and customer. "But it became very clear that if we were regulated and our competitors weren't, it wouldn't work," he recalls. The only solution was to seek a sweeping change in Government policy which would free AT&T from the mesh of official controls.

That change, agreed after years of wrangling in Washington, took effect at the start of this month. American Bell is being backed by almost $5bn of assets transferred from AT&T and is also due to take over from the operating companies all their existing subscriber equipment, valued at about $10bn.

McGill is leading a business products salesforce of almost 7,000, supported by about 4,000 development engineers detached from Bell Laboratories, into battle for a share of a huge market which stretches from complex private communications systems to computer terminals and small switchboards.

The salesforce, 80 per cent of whom have joined in the past four years, had to be built up almost from scratch. Many have been recruited straight from college campuses and drilled in a one-year training programme instituted by McGill. Others have come from competitors, including IBM, as well as from within AT&T.

McGill has introduced sales commissions, a major innovation in AT&T, which previously expected its representatives to do little more than take customers' orders.

Promotion is determined by a new programme called Standards of Excellence. Successful graduates must present detailed sales strategies for rigorous evaluation by a panel of judges. The really good performers are told that they can look forward ultimately to one of the top jobs in AT&T, traditionally occupied by engineers. "Marketing used to be a lesser skill in our business," says Charles Marshall. "It isn't today."

The structure of AIS emphasises flexibility and decentralisation of authority. The top-heavy bureaucracy which previously put one AT&T manager in charge of as few as four subordinates, has been streamlined. Today, a manager has up to 15 or 20 people reporting to him.

Functions like finance, marketing, product management and customer service, formerly organised as separate "vertical" "stations," are being farmed out among newly-created units, each with responsibility for a specific line of business. The aim is to equip each unit with the resources needed to chart and implement its own business strategy.

McGill won't disclose exactly what the strategies are, though he denies that he plans a broadside attack on IBM, as many U.S. industry pundits have suggested. He admits, however, that the two companies are competing on "the same general turf," and that the overlap between their businesses will grow larger in time.

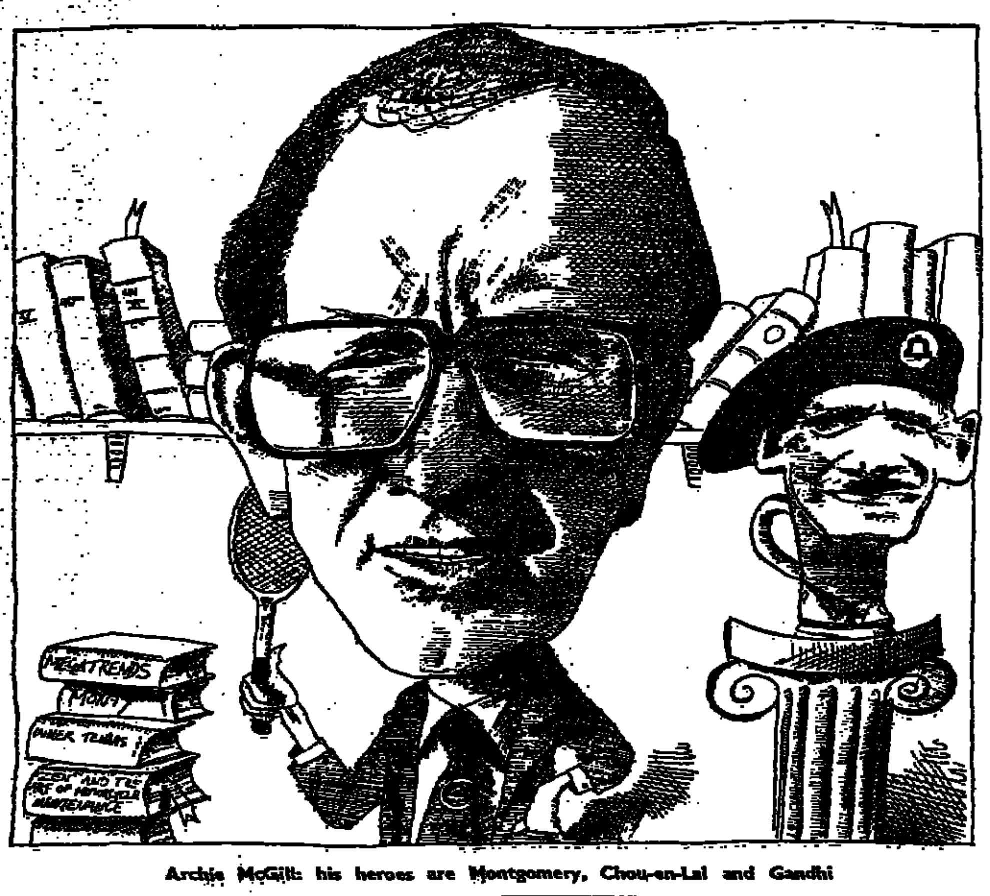
He says that ABI has carefully identified market niches where it can use its technological strengths to maximum advantage. "There's no way we can be all things to all men," he says. He plans to launch this year a wide range of products and systems for information management which will handle computer data and video as well as voice communications.

Most have been developed internally and will be made by Western Electric, AT&T's huge manufacturing arm. McGill hopes to be able to rely on AT&T's in-house resources to supply most of his future needs. But he has also made clear that he will go elsewhere if he is offered a better product at a better price.

Most industry analysts are hedging their bets about American Bell's performance until they see its new products and strategies in action. "It may take a long time to show a profit on the bottom line," says Harry Edelson, vice president of research at the First Boston Investment Bank. But meanwhile, he warns, it has the power to damage competitors severely.

He thinks that American Bell's success may hinge on whether it can bring out one really successful product, equal in popularity to the personal computer which IBM launched 18 months ago. "It needs one dynamite product which can sell $1bn a year. American Bell won't make the right margins with 20 products grossing $50m a year each," he says.

Charles Marshall expects American Bell to generate positive cash flow in about two years' time. But McGill's sights are set on grander goals: "Results of the kind of scale which I's talking about you don't measure in years, you measure them in tens of years. You won't really know whether what we've set in motion is any good for ten years, maybe a lot more."



Archie McGill: his heroes are Montgomery, Chou-en-Lai and Gandhi

'Families will take their phones when they move house'

THE American family of tomorrow won't call up the telephone company when they want a new telephone. They will drive to their nearest shopping centre and buy one, just as they would a hi-fi or a television set.

So says Randall Tobias, the man in charge of American Bell's consumer products division. "We realised in the late 1970s that statistics such as the number of women in the workforce indicated that a distribution system based on asking housewives 'Will anyone be home next Thursday from 8 to 5?' wasn't going to make it any more. In an increasing number of cases the answer was 'No'."

AT&T's first attack on the problem was to set up a few years ago a chain of 1,500 Bell Phone Centres, showrooms where customers could buy telephones off the shelf. But the formula misfired. Many of the showrooms were poorly located and failed to generate enough business to cover their costs.

The vast majority of AT&T's 80m residential subscribers rent their telephones at present. But from the start of this year a change in the law means that those wanting new telephones will have to buy them outright, and American Bell is trying a fresh marketing approach.

It is keeping only 460 of the more profitable Phone Centres and has teamed up with Sears, the country's biggest retail chain, which will sell AT&T telephones in 800 of its department stores. Agreements with other retailers are likely to follow. Some items may also be distributed by Bell local telephone companies after they are divested early next year.

The ending of rental will produce a major shift in consumer attitudes, Tobias believes. "Today people tend to think of a telephone set and the telephone company in the same way. But they don't think of a lamp and the electric company in the same way." In future, he thinks, Americans will become used to taking their telephone with them whenever they move house.

The sales-only policy poses a big challenge for AT&T. It must find ways to encourage its customers—many of whom say they want to continue renting—to trade in their telephones more often. That means developing a continuous stream of new models with added features.

American Bell recently launched a "Pacman" receiver, which looks like the little yellow creature in the best-selling video game, and has developed a microprocessor-controlled programmable telephone.

American Bell's debut in consumer products is being supported by a lavish advertising campaign in the Press and on television. It plays heavily on the theme of "Genuine Bell" quality — even though AT&T is not making all its new products itself—allied to the glamour of microelectronic technology.

> 'Videotex is a solution to a problem that the customer doesn't know he has'

Tobias is also wrestling with the challenge of how to market AT&T's version of videotex, home information systems which link inexpensive terminals to a central computer by telephone or cable television. It is running a trial among 200 households in New Jersey in partnership with CBS, the broadcasting group, and plans its first commercial service this autumn. It will be operated as a joint venture in Florida with Knight-Ridder, a large newspaper publisher.

"Videotex is a solution to a problem that the customer doesn't know he has. We are going to try a number of things that intuitively make sense," Tobias says.

Tobias hopes initially to offer home banking and shopping and a system for distributing microcomputer software via telephone to videotex users in Florida. He is convinced that the key to success lies in offering a rounded package of services. He has also concluded that there will be little demand for news headline services.

Not even Marco Polo could have expected a daily readership of 4.560.000 for his reports.

You can by ringing London 3857723.*

By doing so you will discover that Corriere della Sera has on average 2.525.000 readers a day with a high ABC profile (80%), that not only is it the most important Italian daily but also the unique European daily paper to be, at the same time, the most authoritative and the most widely read.

That La Gazzetta dello Sport is the second Italian daily, with an average daily readership of 1.961.000; mostly men (86%), young (59% are 15-34 years old) and ABC (67%).

That Corriere Medico is sent daily to 60.000 doctors and Corriere Medico Farmacia weekly to 14.000 chemists and 9.000 doctors, a target area of professional men that has a very high purchasing power of upmarket goods in Italy.

Lastly, by calling this number you will have at your disposal a staff of knowledgeable consultants highly experienced in the Italian market information and media planning service, to help you solve your communication problems in Italy.

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R GRUPPO RIZZOLI-CORRIERE DELLA SERA

*PUBLICITAS LTD. - 525/527 FULHAM ROAD - LONDON SW6 1HF

This announcement appears as a matter of record only

NEW ISSUE — 23rd December, 1982

Banque Nationale de Paris

US $150,000,000 Floating Rate Notes due 1989

The Nomura Securities Co., Ltd. — Morgan Stanley International
Dai-Ichi Kangyo Finance (Hong Kong) Limited — Daiwa Europe Limited
Nippon Credit International (HK) Ltd. — Sumitomo Finance International

Bangkok Bank Limited — Bank Bumiputra Malaysia Berhad
Banque Nationale de Paris (South East Asia) Limited — Kyowa Bank Nederland NV
Mitsubishi Trust & Banking Corporation (Europe) S.A. — Mitsui Trust Bank (Europe) S.A.
Saitama International (Hong Kong) Limited — Sumitomo Trust International Limited
Toyo Trust Asia Limited

DBS-Daiwa Securities International Limited — Hambro Pacific Limited
Inter-Alpha Asia (Singapore) Limited — Merrill Lynch International Asia & Co.
Mitsubishi International Finance Limited — Taiyo Kobe Finance Hongkong Limited
Yasuda Trust Europe Limited

Drop in lending to private sector

By Max Wilkinson

BANK LENDING to the private sector fell by £150m in the three weeks to December 8, the first drop in 12 months.

Figures from the Bank of England yesterday show that even after adjustment for seasonal factors, bank lending rose by only £700m in the three week period. This is a relatively moderate rate of increase compared with the expansion in the rest of the year.

In the 12 months to mid December, bank lending to the private sector rose by £18bn, an average of £1.5bn per month. This rate of increase has been constant source of worry to the Government because of the threat that its money supply targets might be breached.

However, in the 10 months to mid December, sterling M3, the broad measure of money which includes interest bearing bank deposits as well as current accounts and cash, grew at an annual rate of 11 per cent. This is within the Government's target range of annual growth of 8 to 12 per cent which was set at the last budget.

In the same period, the narrow measure of money M1, which includes cash and bank deposits which can be withdrawn without notice, rose by 11¼ per cent at an annual rate. This somewhat faster rate of growth was to be expected during a period of falling interest rates, because there was less of a financial penalty for holding money in ways which earned no interest.

The broadest measure of money, Private Sector Liquidity 2 (PSL 2), which includes private sector bank deposits as well as deposits with institutions such as building societies, grew by only 8¾ per cent at an annual rate, towards the lower end of the Government's target range.

UK assets included in Gulf Oil disposal plan

BY CARLA RAPOPORT

GULF OIL, the sixth largest U.S. oil company, is stepping up its efforts to dispose of its loss-making marketing and refining operations in Europe by including its UK holdings in the sale.

These holdings include a refinery at Milford Haven in south-west Wales, 350 petrol filling stations, the company's UK marketing operation and a 35 per cent stake in the throughput rights of a new catalytic cracker at Milford Haven.

That stake is worth £140m, while the net book value of the wholly owned assets was put at £100m last year.

Gulf's downstream operations in Europe, with an estimated book value of some £1bn, have turned in operating losses for two years. The company had been negotiating the sale of the continental holdings to the Kuwait Petroleum Company, but these talks broke off in November.

The company has now decided to seek bids for various parts of the business, rather than sell it in one chunk, and include the UK assets in the sale.

Gulf formally confirmed yesterday that it might sell all or part of its European downstream interests if "a suitably attractive arrangement can be made with a purchaser or purchasers." The company denied that it was close to a sale on any of the operations.

The 350 petrol stations in the UK, about 3 per cent of the UK market, represent less than one tenth of Gulf's 4,000 petrol stations in Europe. The chances of selling the UK stations are not good. Large oil companies in the UK say they are spending £47m a month to support the latest petrol price-cutting battle.

Gulf's holdings in Europe include a refinery in Rotterdam, another in Denmark which was to be closed but is still operating, an interest in a refinery in Cressier, Switzerland, and the Milford Haven refinery in Wales.

The new catalytic cracker in Milford is owned 50-50 with Texaco, but Gulf has only 35 per cent of the throughput rights.

The company is also selling its marketing organisations in Italy, Switzerland, Belgium, the Netherlands, Luxembourg, Denmark and Sweden.

● TIMEX Corporation said yesterday it wanted to allay the fears of the 2,300 workers who would remain at its works in Dundee after the 1,900 redundancies announced earlier this week.

The statement from the U.S. watch company came after a second round of negotiations with the trades unions over the cutback. The unions narrowly voted on Wednesday to resist compulsory redundancies despite a warning from Timex that industrial disruption could lead to a full closure of the Dundee operation.

Crackdown on video piracy

BY GARETH GRIFFITHS

ILLEGAL video sales in the UK are running at more than £1m a week and there are signs that established criminals are coming increasingly into the sector, according to the Federation Against Copyright Theft (FACT), an organisation set up to combat the problem.

FACT, which has announced the apppointment of Mr Peter Duffy, the former head of Scotland Yard's Anti Terrorist branch as its director of investigations, was set up in October last year with Mr Robert Birch, an ex-Scotland Yard solicitor, as its director-general.

The new organisation's brief is to contain and reduce usage of films for video piracy.

An initial budget of £750,000 has been provided for the first year by the industry's trade associations and major film and video companies in the UK and the U.S. More money will be available if necessary. A similar organisation exists in Holland.

"There is evidence of very sophisticated organisational techniques by the copyright thieves and the pirates, and clearly this makes our task more difficult. But by our investigations we hope to establish who the villains are at the centre of the piracy problem, and we hope to be able to deal with them in the criminal courts," Mr Duffy said.

FACT intends to build up a team of experienced investigators and is considering opening a number of provincial offices.

FACT wants penalties for video piracy to be increased considerably with prison terms for major offenders. The maximum penalty under the Copyright Act is now £50. Legislation on video piracy is being considered at Westminster.

The position in Britain has been made worse by the increased drive against video piracy in the U.S. after changes last year in the U.S. copyright law and a Federal Bureau of Investigation clamp down.

Losses through video piracy in Britain are thought to be running in excess of £52m a year.

New car to replace Vauxhall Astra

Financial Times Reporter

VAUXHALL is planning to introduce a new car to replace the Astra. For the first time, the company will use robots to build the vehicle.

The car, known only by its code name, T85, will be brought into production at the Ellesmere Port plant in Cheshire in August 1984. It is expected to be on sale early in the following year. It is not yet clear to what extent robots will be used.

The car will probably be built at the same time by Vauxhall's sister company, Opel, in West Germany, for the Eurcpean market.

Vauxhall's plant at Luton in Bedfordshire will play only a minor role in developing the T85, possibly in connection with the design and manufacture of tooling.

The company envisages that the T85 will have a larger UK content than the Astra, with more use of British-made steel body panels. The new car is expected to have front-wheel drive.

The Astra, also front-wheel drive, went on sale in the UK early in 1980. But it was not until November 1981 that production of the car started at Ellesmere Port. Until then, all Astras were made by Opel and the vehicles were imported with the Vauxhall badge.

Last year, the Astra was Britain's sixth best-selling car with sales of nearly 47,000. But it lags far behind the Ford Escort, its main competitor, and has not been as big a success as the Vauxhall Cavalier.

The Astra van and Chevette are also made at Ellesmere Port. Vauxhall says it has no plans at present to stop producing the Chevette, the only car actually manufactured by Vauxhall rather than assembled.

Notice of Redemption

Continental Telephone International Finance Corporation

8¼% Guaranteed Debentures Due 1986

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1971 under which the above described Debentures were issued, Citibank, N.A., as Trustee, has drawn by lot, for redemption on February 15, 1983, through the operation of the sinking fund provided for in said Indenture, $1,256,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000 PRINCIPAL AMOUNT OUTSTANDING

M16	1162	2187	3500	4462	5436	6397	7095	9037	10706	14633	15933	16741	17554	18176	18726	19349
23	1167	2194	3504	4481	5437	6412	7100	9042	10714	14641	15940	16749	17566	18184	18731	19356
70	1179	2200	3510	4605	5445	6431	7110	9048	10754	14649	15941	16758	17579	18193	18736	19364
77	1185	2206	3511	4609	5458	6437	7144	9095	11102	14655	16000	16765	17588	18200	18744	19372
82	1189	2245	3514	4611	5488	6453	7151	9099	11276	14666	16037	16786	17622	18208	18751	19380
85	1218	2306	3518	4612	5496	6472	7173	9100	11301	14682	16045	16794	17631	18217	18756	19390
101	1219	2317	3526	4620	5498	6481	7176	9104	11309	14683	16053	16809	17641	18222	18763	19391
111	1244	2329	3533	4631	5499	6492	7192	9114	11317	14694	16070	16814	17649	18230	18769	19399
112	1245	2347	3552	4638	5507	6497	7234	9120	11324	14702	16073	16820	17671	18238	18774	19407
116	1353	2350	3659	4648	5508	6500	7243	9125	11327	14711	16081	16871	17679	18245	18781	19415
127	1361	2372	3679	4654	5518	6507	7251	9131	11334	14727	16088	16880	17686	18253	18788	19424
145	1386	2476	3686	4661	5520	6516	7257	9144	11344	14734	16097	16888	17693	18262	18797	19432
154	1392	2488	3698	4669	5528	6523	7263	9148	11441	14750	16104	16893	17700	18269	18804	19440
166	1398	2515	3699	4678	5537	6541	7279	9173	11450	14771	16113	16900	17707	18276	18810	19449
169	1400	2610	3704	4697	5546	6546	7283	9176	11456	14855	16125	16910	17714	18284	18817	19457
174	1403	2617	3715	4711	5550	6550	7289	9185	11463	14906	16136	16947	17721	18292	18822	19464
179	1405	2634	3732	4720	5564	6557	7298	9190	11471	14947	16144	16956	17728	18299	18828	19473
187	1418	2635	3735	4727	5571	6565	7311	9196	11479	14955	16152	16963	17735	18307	18833	19481
249	1424	2641	3736	4738	5582	6576	7321	9197	11487	14975	16159	16970	17742	18318	18840	19488
255	1528	2647	3740	4764	5600	6583	7330	9208	11494	14983	16167	16977	17750	18325	18846	19496
288	1534	2653	3748	4773	5609	6590	7336	9214	11525	14990	16174	16988	17757	18332	18853	19500
294	1541	2656	3755	4789	5611	6604	7355	9220	11555	15024	16180	17001	17765	18340	18859	19508
333	1542	2662	3768	4791	5616	6624	7356	9227	11557	15030	16189	17008	17773	18347	18866	19513
344	1551	2680	3773	4831	5623	6630	7365	9229	11569	15039	16191	17019	17774	18356	18874	19518
348	1556	2686	3828	4833	5630	6637	7449	9404	11572	15129	16203	17024	17783	18357	18881	19524
356	1559	2695	3858	4847	5634	6645	7478	9409	11577	15254	16267	17025	17792	18365	18887	19529
362	1563	2740	3872	4869	5643	6651	7485	9414	11585	15260	16275	17031	17816	18373	18893	19535
453	1564	2764	3888	4872	5654	6657	7521	9417	11590	15266	16284	17036	17831	18381	18899	19541
457	1581	2772	3893	4875	5657	6664	7567	9425	11592	15424	16328	17044	17839	18388	18901	19549
459	1588	2780	3942	4932	5664	6669	7575	9444	11599	15433	16337	17052	17848	18395	18909	19553
466	1593	2787	3965	4940	5667	6676	7586	9450	11604	15436	16345	17060	17857	18401	18916	19558
472	1609	2796	3988	4947	5680	6694	7587	9456	11609	15441	16353	17066	17863	18408	18917	19565
477	1630	2804	3994	4956	5774	6702	7593	9460	11622	15447	16364	17095	17870	18416	18924	19567
478	1635	2812	3998	4966	5780	6707	7621	9470	11628	15455	16373	17137	17877	18423	18931	19574
483	1661	2881	4002	4988	5783	6715	7629	9481	11636	15463	16380	17164	17885	18429	18938	19586
489	1666	2885	4006	5005	5861	6731	7644	9491	11740	15470	16387	17170	17892	18435	18947	19595
496	1672	2891	4018	5044	5874	6740	7651	9498	11885	15477	16396	17182	17899	18445	18955	19600
504	1676	2908	4025	5051	5880	6780	7684	9500	11917	15484	16404	17190	17906	18452	18961	19606
510	1682	2914	4044	5071	5892	6799	7703	9507	11933	15491	16410	17196	17909	18460	18967	19614
515	1725	2922	4052	5099	5895	6803	7712	9521	12053	15498	16418	17214	17917	18466	18978	19622
519	1741	2937	4059	5142	5903	6809	7738	9528	12056	15505	16426	17221	17924	18474	18994	19629
526	1745	2945	4073	5160	5922	6817	7739	9537	12320	15507	16435	17228	17931	18479	18997	19631
531	1749	2962	4098	5167	5930	6820	7741	9582	12331	15511	16442	17229	17939	18487	19003	19633
535	1755	2970	4104	5174	5937	6823	7850	9651	12352	15518	16457	17251	17947	18494	19012	19637
537	1760	3006	4111	5175	5945	6828	7990	9692	12422	15525	16464	17259	17956	18503	19019	19643
600	1766	3010	4117	5200	5950	6830	8210	9701	12430	15533	16472	17272	17964	18510	19027	19648
627	1775	3048	4125	5201	5977	6838	8407	9710	12446	15540	16480	17277	17970	18521	19033	19653
635	1785	3079	4140	5207	6177	6839	8441	9715	12876	15544	16487	17288	17977	18530	19034	19658
751	1813	3090	4243	5216	6184	6848	8445	9720	12820	15557	16495	17372	17986	18537	19111	19669
756	1820	3097	4257	5226	6191	6855	8452	9911	12882	15559	16502	17377	17994	18544	19125	19674
802	1824	3098	4266	5240	6199	6862	8463	10048	13001	15564	16510	17383	18000	18552	19149	19679
836	1834	3109	4275	5251	6204	6869	8473	10080	13084	15575	16521	17389	18009	18560	19157	19684
861	1843	3114	4284	5256	6210	6919	8480	10112	13110	15581	16529	17409	18016	18568	19165	19690
872	1844	3141	4291	5266	6217	6929	8508	10117	13118	15588	16530	17417	18021	18576	19172	19696
880	1859	3144	4313	5270	6225	6937	8557	10125	13417	15594	16538	17441	18023	18583	19179	19701
931	1924	3149	4318	5277	6233	6944	8561	10147	13419	15600	16550	17444	18030	18584	19186	19707
937	1928	3154	4322	5285	6240	6950	8604	10161	13424	15607	16558	17450	18037	18592	19210	19715
1003	1944	3182	4323	5294	6270	6951	8614	10169	13433	15615	16566	17458	18043	18599	19219	19723
1016	1950	3186	4351	5299	6271	6958	8685	10175	13440	15622	16584	17465	18050	18607	19228	19726
1030	1978	3192	4358	5306	6277	6974	8814	10192	13448	15623	16595	17472	18057	18616	19239	19733
1062	1987	3199	4367	5314	6284	6976	8820	10311	13455	15782	16609	17480	18064	18623	19249	19738
1063	1992	3203	4376	5320	6297	6984	8841	10312	13606	15790	16611	17486	18072	18630	19255	19744
1066	2025	3211	4386	5326	6298	6990	8843	10321	14541	15810	16620	17488	18079	18639	19267	19752
1087	2031	3214	4394	5330	6305	6993	8852	10330	14550	15831	16628	17489	18087	18648	19273	19769
1097	2038	3223	4396	5352	6311	7000	8868	10336	14555	15840	16636	17495	18098	18655	19279	20071
1107	2044	3230	4399	5360	6318	7007	8901	10344	14563	15849	16644	17500	18105	18663	19280	20079
1118	2053	3330	4408	5366	6324	7013	8904	10345	14570	15866	16653	17506	18112	18671	19288	20089
1124	2078	3335	4415	5371	6327	7015	8909	10348	14577	15885	16658	17516	18122	18678	19295	20102
1128	2080	3441	4423	5380	6331	7017	8919	10350	14588	15893	16665	17518	18127	18686	19302	20109
1134	2137	3445	4424	5394	6338	7025	8927	10495	14599	15900	16672	17524	18132	18693	19310	20115
1141	2141	3455	4431	5402	6341	7043	8933	10498	14605	15907	16683	17525	18139	18694	19317	20122
1144	2156	3477	4439	5414	6366	7050	9021	10638	14612	15913	16690	17534	18149	18700	19326	20130
1153	2157	3484	4447	5424	6384	7058	9027	10685	14618	15919	16697	17540	18157	18714	19333	
1161	2180	3498	4454	5433	6391	7069	9034	10696	14625	15927	16706	17546	18168	18721	19341	

The Debentures specified above are to be redeemed for the said sinking fund at the office of the Trustee, 111 Wall Street, in the Borough of Manhattan, The City of New York, State of New York, the main offices of Citibank in Amsterdam, London, Paris, Frankfurt/Main, Milan or Brussels or at the office of Kredietbank S.A. Luxembourgeoise in Luxembourg, as the Company's paying agents, and will become due and payable on February 15, 1983, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date. Coupons maturing on February 15, 1983 should be detached and presented for payment in the usual manner.

For CONTINENTAL TELEPHONE INTERNATIONAL FINANCE CORPORATION

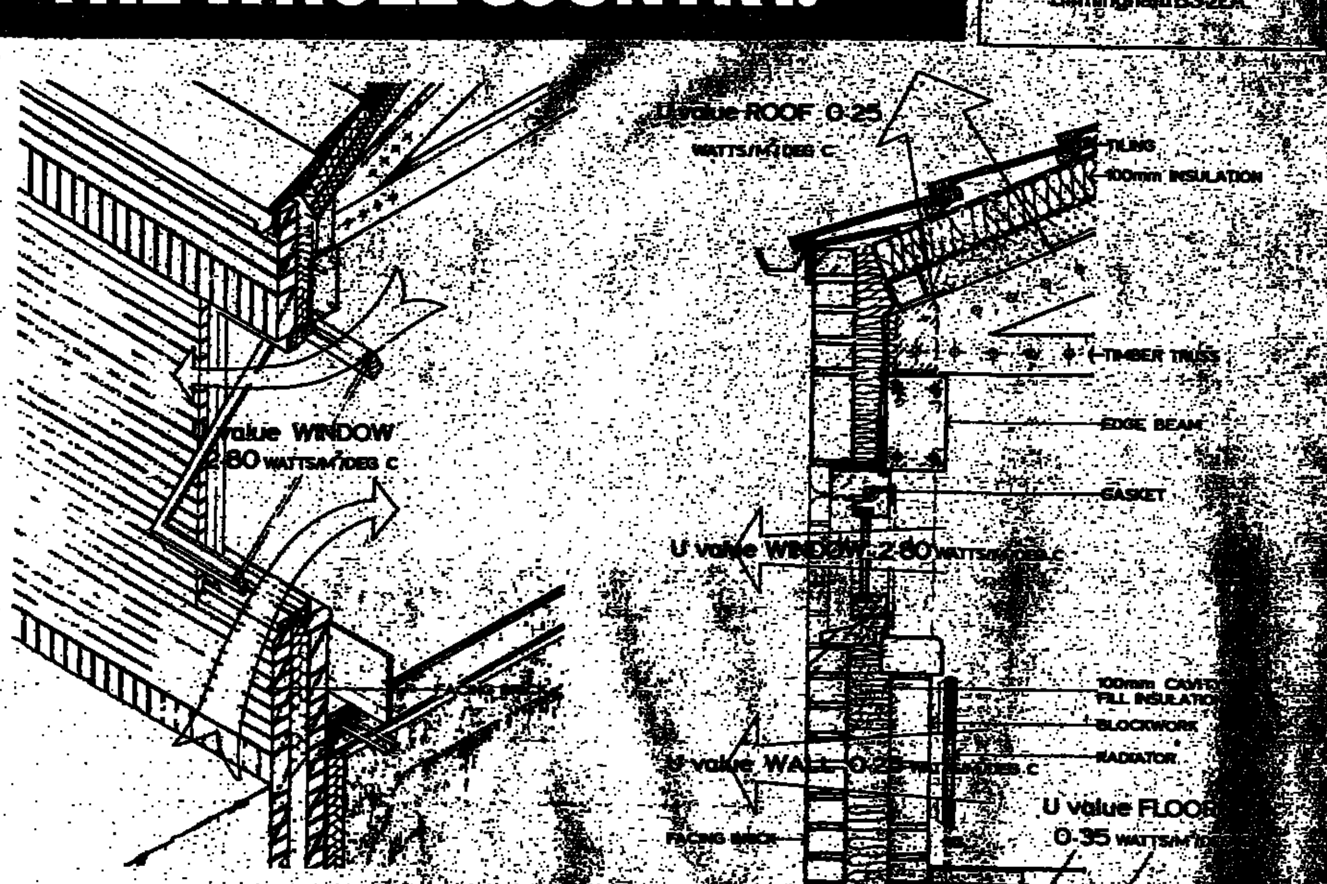
By CITIBANK, N.A.,
Trustee

January 14, 1983

THE ENERGY-SAVING SCHOOL THAT'S A LESSON TO THE WHOLE COUNTRY.

The Birmingham Diocesan Education Council, Church House, Harborne Park Road, Birmingham

Rutland House, Edmund St, Birmingham



AN ENERGY SAVING SCHOOL SUTTON COLDFIELD DEANERY FIRST AND MIDDLE SCHOOL

Energy conservation techniques are most often employed in buildings which were erected when fuel was cheap and plentiful.

But today's constructions give architects the opportunity to design for energy efficiency before a single brick has been laid.

The Sutton Coldfield Deanery School is one of the most important Energy Demonstration Projects to date in the UK. And West Midlands Gas Technical Consultancy Service has been involved from the outset.

The British Gas THERM computer programme was used to design the heating system. This was no easy task, as planning regulations would only permit a single-storey design, to fit in with the surroundings.

The building combines high insulation with a low window area. And it has a fully integrated heating, ventilation and air filtration system, which always recycles waste heat to another use.

The continuous [illegible] and filtering air keeps it fresh, while cutting down the [illegible] change with the colder outside air. [illegible] the building uses 40% less [illegible] than a typical existing school on the same [illegible] British Gas can show you many other [illegible] impressive economies have [illegible] energy conservation is not [illegible] it can also be highly pro[illegible] Contact your regional British Gas [illegible] the sooner you'll [illegible] many ways of [illegible] energy [illegible] But the re[illegible] are the same for everyone.

BRITISH GAS

BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of

BUILDING SOCIETY RATES

on offer to the public

For further details please ring:

01-248 8000, Ext. 3606

This announcement appears as a matter of record only.

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DM 18,400,000.-
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MYANMA FOREIGN TRADE BANK
RANGOON, BURMA

Arranged and managed by
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INTER-ALPHA ASIA PACIFIC BANK LIMITED
INTERNATIONALE BANK FÜR AUSSENHANDEL AG, VIENNA
ÖSTERREICHISCHE VOLKSBANKEN AG
ZENTRALSPARKASSE UND KOMMERZIALBANK, WIEN

Agent
GENOSSENSCHAFTLICHE ZENTRALBANK AG, VIENNA

This loan represents the co-financing to an export credit arranged by Internationale Bank für Außenhandel AG, Vienna, under the Austrian Export Financing Scheme.

November 1982

PHLX FOREIGN CURRENCY OPTIONS

The following put and call options will be added on January 14, 1983:

Japanese Yen

This is in addition to put and call options trading in the British pound, which began December 10, 1982.

This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities. Ask your broker or the Exchange for a copy of Understanding the Risks and Uses of Listed Options and Listed Options on Foreign Currencies, which discuss the uses and risks of these options.

PHLX
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1900 Market Street, Philadelphia, PA, U.S.A. (215) 496-5000 Telex 902-636

THE ARTS

Theatre

LONDON

The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (928 2252).

Andy Capp (Aldwych): Good British musical starring Tom Courtenay based on the syndicated cartoon character with an ingeniously nostalgic score by Alan Price who also participates from the keyboard. (836 6404).

Noises Off (Savoy): Michael Frayn's backstage comedy is still the funniest play in London, owing small debts to Rattigan's Harlequinade and Pirandello's Six Characters. Brilliantly directed by Michael Blakemore. (836 8888)

NEW YORK

Amadeus (Broadhurst): Frank Langella stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472)

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Amanda Plummer enliven a somewhat over-written clash of ideologies. (246 4636)

Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (245 5760)

Crimes of the Heart (Golden): Despite its genial humour, outlandish events and Pulitzer Prize, Beth Henley's story of three Mississippi sisters boils down to a sitcom sensibility full of gags, good acting and frequent phone interruptions. (246 6740)

Master Harold . . . and the Boys (Lyceum): Tony-award-winner Zakes Mokae leads the cast of three in Athol Fugard's latest look at apartheid in South Africa, where, in a Port Elizabeth tearoom in 1950, a white teenager turns against the two black servants who have been his only friends. (582 3897)

Present Laughter (Circle in the Square): George C. Scott proves that with the right wardrobe of dressing gowns, he can capture the essence of impresario Garry Essendine, including directing an excellent supporting cast. (581 0720)

Geniuses (Fairbanks): Author Jonathan Reynolds takes advantage of a stint watching Francis Ford Coppola shooting Apocalypse Now to parody the American film industry in this riotous re-creation of a jungle film set awaiting the end of a seasonal typhoon. (432 W. 42nd). (279 4200)

Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8-½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

WASHINGTON

The Imaginary Invalid (Kreeger): The Arena Stage production of the Molière masterpiece starts previews this week. (488 3300)

CHICAGO

The Life and Adventures of Nicholas Nickleby (Blackstone): By the time the Royal Shakespeare Company's performances ended last season in New York, Nick Nick (as its advertising called it) had run up an insatiable demand, now being satisfied by the Great Lakes Shakespeare Festival revival of the London production running to eight hours in two parts. (977 1700)

Shear Madness (Mayfair at the Blackstone Hotel): Bruce Jordan and Marilyn Abrams recreating the roles they originated in the hit run of this comedy mystery in Boston and Philadelphia. (266 0252)

The Beckett Project (Goodman): Alan Schneider directs the American premiere of Samuel Beckett's Eh, Joe as part of a collection of Beckett one-acts performed by David Warrilow and Rick Cluchey. (443 3800)

Arts Week

F	S	Su	M	Tu	W	Th
14	15	16	17	18	19	20

Music

PARIS

Paul Badura Skoda: Beethoven, Mozart, Schubert (Mon) Salle Gaveau. (563 2030)

Gabriel Tacchino: Poulenc, Mozart, Liszt, Chopin (Mon) Théâtre des Champs Elysées. (723 4777)

Ensemble Orchestral de Paris conducted by Jean-Pierre Wallez with Bernard Ringeissen, Piano: Fauré, Chausson (Tue) Salle Gaveau. (563 2030)

Alfred Brendel, Piano: Beethoven Sonatas (Tue) Salle Pleyel. (563 8873)

Orchestre National de France conducted by Gerd Albrecht, Régis Pasquier, Violin: Tchaikovsky, Mendelssohn (Tue) Theatre des Champs Elysees. (723 4777)

Orchestre de Paris conducted by Daniel Barenboim with Jessye Norman and the Orchestre de Paris choir conducted by Arthur Oldham: Wagner (Thur) Salle Pleyel. (563 8873)

Ensemble Orchestral de Paris with Jean-Pierre Wallez as conductor and Soloist: Mozart, Debussy, Stravinsky (Thur) Centre Pablo Neruda in the suburb of Creteil. (089 0072)

LONDON

Bournemouth Symphony Orchestra conducted by Rudolf Barshai with Michel Beroff, piano. Tippett, Haydn and Mahler. Royal Festival Hall (Mon). (928 3191)

Karine Georgian, cello, with Clifford Benson, piano. Beethoven, Shostakovich and Kodaly. Queen Elizabeth Hall (Mon). (928 3191)

BBC Symphony Orchestra conducted by John Pritchard with Walter Klien, piano. Schubert and Mozart. Barbican Hall (638 8891) (Mon and Thur).

London Philharmonic Orchestra and Choir conducted by Bernard Haitink with Alfreda Hodgson, contralto, Richard Lewis, tenor and John Shirley-Quirk, baritone. Elgar's The Dream of Gerontius. Royal Festival Hall (Tue).

BBC Singers conducted by John Poole with Kathryn Stott and Yitkin Seow, piano duo. Barbican Hall (Tue and Wed 1pm).

Chilingirian String Quartet with Nobuko Imai, viola. Schubert and Mozart. Barbican Hall (Tue and Wed).

Halle Orchestra and Choir conducted by James Loughran with Stephen Hough, piano. Elgar, Ireland and Holst. Royal Festival Hall (Wed).

New Mozart Orchestra conducted by Clive Fairbairn with John Lill, piano. Mozart, Beethoven. Queen Elizabeth Hall (Wed).

Trio Vienna, flute, bassoon and piano. Purcell Room (Wed).

London Symphony Orchestra conducted by Claudio Abbado with Cecile Licad, piano. Rachmaninov and Mahler. Royal Festival Hall (Thur).

Idil Biret, piano. Bartok, Boulez, Schumann and Prokofiev. Queen Elizabeth Hall (Thur).

NEW YORK

Avery Fisher Hall: New York Philharmonic, Larry Newland conducting, Janice Meyerson mezzo-soprano. Carter, Bernstein, Sibelius (Tue); Giuseppe Sinopoli conducting, Malcolm Frager piano. Bussotti, Mozart, Schumann (Thur). (874 2424)

Alice Tully Hall: Chamber Music Society of Lincoln Center, Charles Wadsworth director, Benny Goodman clarinet, Dong-Suk Kang violin, Nathaniel Rosen cello. Beethoven, Kodaly, Mozart (Mon, Tue). (362 1900)

92nd St. Y (1395 Lexington Av): Scottish Chamber Orchestra, Jaime Laredo conducting. All Mozart programme (Tue, Wed). (427 4410)

Metropolitan Museum of Art: Peinemann, Hanani, Auer Trio. Beethoven, Schubert, Brahms (Thur). (570 3949)

WASHINGTON

Concert Hall (Kennedy Center): Scottish Chamber Orchestra, Jaime Laredo conducting. All Mozart programme (Mon); National Symphony Orchestra, Mstislav Rostropovich conducting, Anne-Sophie Mutter violin. Mozart, Beethoven, Prokofiev (Tue, Wed, Thur). (254 3776)

Eisenhower Theater (Kennedy Center): Eubie Blake: A Century of Music honours the popular American composer and benefits the Eubie Blake Cultural Center in Baltimore (Thur). (254 3670)

CHICAGO

Orchestra Hall (220 S. Michigan): Chicago Symphony, Georg Solti conducting, Larry Combs clarinet, David Schrader organ. Handel, Corigliano, Mendelssohn (Thur). (435 8122)

VIENNA

Prague Symphony Orchestra, Prague Philharmonic Choir, Conductor Jiri Belohlavek. Janacek (Tue); Vienna Symphony Orchestra, Conductor Christoph von Dohnanyi, Anja Silja, Soprano. Schoenberg, Haydn and Beethoven. (Thur). Konzerthaus (721211)

ITALY

Rome, Auditorium via della Conciliazione: Wührer Quartet. Schoenberg and Beethoven (Mon and Tue).

Milan, Conservatorio Giuseppe Verdi: Alirio Diaz, guitar, plays Vivaldi (Mon).

Opera and Ballet

ITALY

Rome, Opera House (463641): Sleeping Beauty choreographed by Petipas with decor and costumes by Beni Montresor.

Milan, La Scala (809126): Giordano's Andrea Chenier.

Florence, Teatro Comunale (262841): Falstaff in a co-production with the Los Angeles Philharmonic Association and the Royal Opera House, Covent Garden.

LONDON

Royal Opera House, Covent Garden: Cinderella (no matinees).

Royal Festival Hall: Matinee and evening performance of The Nutcracker.

Sadler's Wells, Rosebery Avenue: Sadler's Wells Royal Ballet triple bill, including Les Sylphides and La Boutique Fantasque. Also in repertoire, Boutique-required viewing and the full length Swan of Tuonela.

Royal Opera, Covent Garden: Samson et Dalila, with some of the most beautiful sets (by Sydney Nolan) provided for the Royal Opera in many seasons, returns with the original title performers – Jon Vickers and Shirley Verrett. For Der Rosenkavalier, the well-tried duo (no longer in first vocal bloom) of Gwyneth Jones and Yvonne Minton is joined by Yvonne Kenny's first Covent Garden Sophie. Andrew Davies makes his London opera debut.

Coliseum: English National Opera's long-awaited new production of Tchaikovsky's Queen of Spades by David Pountney opens with Graham Clark, Marie Slorach and Sarah Walker in the principal roles, Mark Elder conducting. Further performances of the justly admired Otello, Romeo and Juliet (with Valerie Masterson) and La Boheme.

PARIS

La Boheme conducted by Alain Lombard, produced by Gian-Carlo Menotti with Leona Mitchel and Helene Garetti alternating as Mimi with Faye Robinson in the role of Musette. Paris Opera (742 5750)

WEST GERMANY

Berlin, Opera, Deutsche Oper: The week starts with Boris Blacher's rarely-played Preussisches Märchen with Helga Wisniewska and Donald Grobe. Die Zauberflöte, conducted by Marek Janowski, has fine interpretations by Sylvia Greenberg and Horst Laubenthal. Der Freischütz is a Gustav Rudolf Sellner production. Madame Butterfly with an all-Italian cast rounds off the programme. (34381)

Hamburg, Staatsoper: An elegant and well made production of Der Fliegende Holländer by Wieland Wagner is a welcome change from many mediocre Wagner offerings this season. Franz Ferdinand Nentwig triumphs in the title role. Also Lisbeth Balsev as Senta. Parsifal, an August Everding production, stars Peter Hofmann in the title role and Eva Randova as Kuknory. Eugen Onegin gained much applause for Bernd Weikl in the title role and Lisbeth Balsev as Tatjana. (351151)

Frankfurt, Opera: Volmar Olbrich is making his debut as conductor of Der Türke in Italien. Un Ballo in Maschera, featuring Rosalind Plowright and Luis Lima in the leading roles, is a more impressive production than usual. Janaceck's Die Sache Makropulos has Anja Silja excelling in the title role. Der Fliegende Holländer is perfectly cast with Rudolf Constantin in the title role and Marita Napier as Senta. Madame Butterfly has Akiko Kurodas' fine rendition in the title role. Gluck's Alkestis completes the programme. (25621)

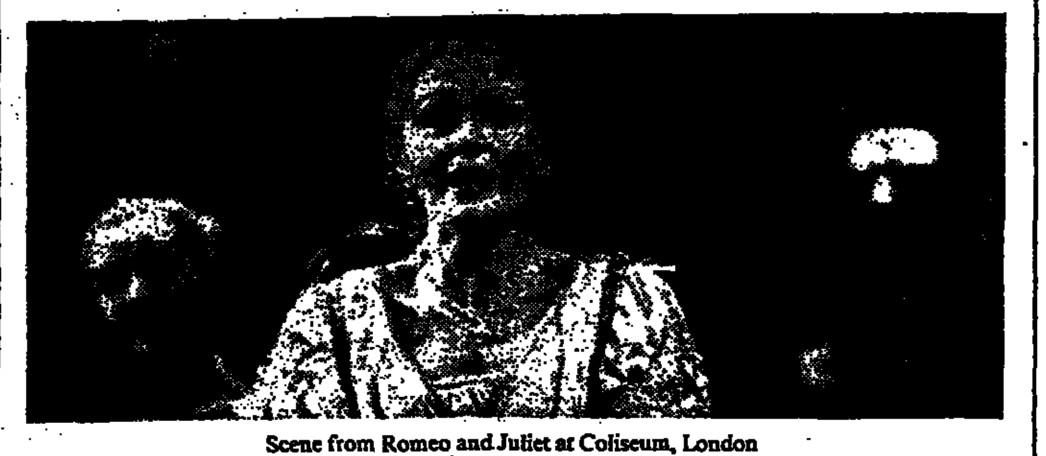
NEW YORK

Metropolitan Opera (Opera House, Lincoln Center): First seasonal performance of Adriana Lecouvreur, conducted by Michelangelo Veltri, staged by Raf Vallone and starring Renata Scotto, joins repertory performances of Les Contes d' Hoffmann, Fellow ... Il Trovatore, Boris Godunov and the last performance of Idomeneo. (580 9830)

VIENNA

Staatsoper (5324/2655): Der Liebestrank, Lucia di Lammermoor, Fidelio, Don Pasquale, Die Entführung aus dem Serail.

Volksoper (5324/2657): Die Lustigen Weiber von Windsor, Kiss Me Kate, Der Fremdenführer, Die Feenkönigin, Die Lustige Witwe.



Scene from Romeo and Juliet at Coliseum, London

Gumboots on the trek of life

Yol

Still of the Night

Eating Raoul

Yilmaz Guney and Serif Goren's *Yol* shared the Golden Palm with Costa-Gavras's *Missing* at the Cannes Film Festival last year, in what seemed a twin delirium of anti-totalitarian political sentiment that had discernibly little to do with movie excellence. *Missing* was a tartly expert, one-dimensional agitprop thriller in which Jack Lemmon raced about knuckle-rapping militarist Chile. *Yol*, now touching down in London, purports to be about the "trek of life" (the meaning of *yol* in Turkish, says Guney) but is more specifically about political and social opprression in currently militarist and long-time-feudal Turkey.

In cinema, though some would seek to persuade you otherwise, it's *not* the thought that counts: it's the achievement. *Yol* reaches out with worthy but ponderous fingers towards a liberal thesis in its tale of four prisoners enjoying and/or enduring a week's parole, as they train and trek across Turkey in search of homes, loved ones or fiancées, only to discover that oppression thrives as much outside prison—in patriarchial traditions and tyrannical taboos—as inside.

Guney is a well-qualified witness. On different charges, he has spent half the last twenty years in sundry and various hoosegows; whence by artistic remote-control he has supervised his films. *Yol* gives director credit to Serif Goren, who was indeed the man behind the camera, although he had frequent access to *jail* to consult with the master. (A year ago, after finishing *Yol*, Guney escaped to Europe and is now living and film-making in France).

But wreathed in thematic worthiness, *Yol* is as glum in the execution as a pair of gumboots. The film lassoes little variety in the stories of the four suffering pilgrims. Sombre and walrus-moustached, they stomp forth to tackle the cruel verities of life in Kurdistan. Mehmet (Halil Ergun) is forbidden to see his wife by her family, because her brother died during a robbery masterminded by M. (She runs off with him nonetheless.) Mevlut (... ...) ... and entertains his fiancée in the big city, but is dogged on every pavement, in every restaurant by black-robed chaperone relatives. Omer (Necmettin Cobanoglu) finds his village on the Syrian border riven by warfare. And stern ancestral custom orders Seyit (*Tarik Akan*) to trek across icy wastes to find and kill his wife, who has been exiled for adultery to a snow-bound farm.

The film might have seemed less elephantine if a few fiercer and more feral, or even sourly ironic, notes had been sounded. But Guney prefers the glamourless truth of plodding stoicism, and the eyelids sag under the impact like shop-canopies under snow. Scenes that should shock or astonish — amateur village dentistry with a red-hot wire, the mad mob who discover Mehmet and wife trying to steal some discreet joy in a train toilet ("Hit them hard! The infidels!") — are anaesthetised by the morphine of the surrounding narrative.

Occasionally, Guney and Goren show faint glimmers of the textural intensity the film needs: a scarred winter landscape, a pitted face, the choric horror of relatives ranting disapprobation. But for the most part the "trek of life" in *Yol* is the epic journey of four movie characters in search of a dramtic movie.

★

Is Meryl Streep in training to play Lady Macbeth? With that gaunt and ghost-white face attacked by a platinum waterfall of hair, she sleep-stalks into frame in *Still of the Night*: and then she rustles, flickers and emotes with a trance-like intensity that would in normal life instantly summon little men in white coats to remove her. Uttering rapt and agitated dialogue to New York psychiatrist Roy Scheider, she is the mystery ex-girlfriend of his lately murdered antique-dealer client (Josef Summer), and could she also be the knife-wielding ripperess who performed frightful surgery on him?

Meanwhile, other corpses are falling. "Hmmm. Same pattern of wounds," excogitate the police. Mr Scheider worries: could he be next? Miss Streep seems anxious to impart some secret to him. She follows him to the launderette in one scene, and lures him into Central Park in another. Mr Scheider discovers a torn newspaper cutting about Miss Streep's dead father. There are auction-rooms, screaming eagles and nightmares. And there is Jessica Tandy as Ma Scheider, fellow psychiatrist. Whodunnit? Who-about-to-do-it-again?

Writer-director Robert Benton (of *Kramer vs Kramer*) has made a thriller almost as gawky, bizarre and diselemented as *Miss Streep's own performance*. In bare, shadow-stricken rooms characters discuss menacing clues—a gold watch, a dream—with a deeply solemn and loquacious bafflement as if playing free-association Cleudo. False trails are carefully laid for the audience, who then coolly walk the other way. And Reader's Digest psychiatric truths are delicately shelled out in tea-for-two scenes between underacting Scheider and puffball-pretty Tandy. "I'm not talking mother-son, I'm talking shrink to shrink.")

There are a brace or two of frissons, and who could resist the sinisterly motionless human hulk in the chest-belt? (Discover him for yourself.) But elsewhere the film might have been scripted by H. Pinter for M. Streep on a very off day and titled *The New York Psychiatrist's Woman*; or possibly *The Incredible Shrinking Shrink*.

Eating Raoul, by contrast, is healthful fun. The Blands (Paul Bartel and Mary Woronov) are a Los Angeles husband-and-wife team somewhat like a homicidal Fanny and Johnny Craddock. *Their ambition is to own a* restaurant in the country, and they fund-raise for this by robbing and killing lone visitors who join them for putative sexual high-jinks, at the invitation of personal ads in the paper. No pangs or twangs of conscience, for the couple frown on all forms of erotic adventurism.

Bartel himself wrote and directed, and gleaming deadpan kinkiness is his forte (cf *Death Race 2000*). The message is clarion-clear and salutory, that prudery and violence are often sworn bedfellows, and Bartel and Woronov form the most stylishly destructive double-act since Lucrezia and Mr Borgia. He is bald, brow-furrowing and palely roly-poly, like a mentally disturbed teddy bear. She is an Amazonian six-footer with a slinky switch-on sex appeal that she's just as pleased to switch briskly off. There is also their oleaginous Latin partner Raoul *(Richard Beltran) who discovers* their secret and moves in on the scheme, teeth and black hair glinting.

Visually it's a thin-textured, airless movie: more like a stage play or soap-opera that has accidentally stumbled in front of a camera. But it does have the momentum of mischevious simplicity, and a pious, poker-faced perversity of which Bunuel himself might have been proud.

Scene from 'Yol'

Andrew Litton/Barbican Hall

Dominic Gill

Andrew Litton, who made his British debut with the Royal Philharmonic Orchestra on Wednesday, is the 22-year-*old American who 12 months* ago became the youngest winner in the history of the BBC/Rupert International Young Conductors Competition. It will need more time, and the chance to hear further and more varied programme challenges, to judge him properly. But first impressions are good: an easy, open manner on the rostrum, and an evident flair for opulent gesture and colour, mark him as a natural romantic conductor.

It was refreshing especially to discover a young artist who —without a trace of side or pretension—so clearly enjoys his role. The programme was unequivocally romantic: a popular keyboard warhorse, two neoromantic overtures, and Copland's American romantic ballet suite from *Rodeo*. The relish which Litton brought to every piece—at once breezy (which is not to imply superficial) and ardent—was infectious from first to last.

The technique is solid, the beat a little inclined to over-excited bouncing at climaxes, but by and large exceptionally cogent and lucid. Cherkassky was the soloist in Chaikovsky's B flat minor concerto: riveting in its obsessive clarity (not a single note faked), unusually powerful in its lyrical shaping, and in its steadiness most courteously concerned to smooth the young conductor's path.

Litton's way with both Bernstein's *Candide* and Elgar's *In the South overtures was bright*, uncluttered — flamboyant in the nicest sense, and full of robust passing pleasures. He bounced Copland's *Rodeo* suite to a brilliant conclusion, almost as if he were square-dancing himself. It will be revealing to hear him in other repertoire: later this year, Litton conducts at the Proms.

Exhibitions

NEW YORK

Pierpoint Morgan Library: French Painting in Manuscripts, 1420–1530, will trace the historical development of manuscript illumination with examples from the library's collection as well as from other American collections. Ends Jan 30. Autographed music manuscripts and letters from Franz Joseph Haydn and Igor Stravinsky are also on display. Ends Jan 30. (685 0610)

National Academy of Design: Modelled on the Royal Academy and housed in one of Fifth Avenue's most elegant town houses, this American institution honours one of its famous members. Abbott Handerson Thayer, a gilded era portraitist and landscapist who gradually abandoned commissions for idealized portraits of angels and heavenly landscapes. Ends Jan. 23.

Metropolitan Museums of Art: Architectural drawings, furniture, photographs and even ceramics comprise the hundred objects of Frank Lloyd Wright's dusted off to accompany the permanent installation of the living room he designed for the Francis Little House. Ends Feb. 27. (535 7100)

Whitney Museum: Painter Ellsworth Kelly will becomes better known as a sculptor with this first sculptural *retrospective of 40 works dating* back to the 1940s and including recent large aluminium and weathering steel works, many never before displayed publicly. Ends Feb. 27. (570 3670)

WASHINGTON

National Gallery: On the centenary of Edouard Manet's death, a hundred paintings, pastels and photographs show the growing interest in Paris among artists of that time, including Manet, Monet, Caillebotte, Daumier, and Vuillard, in this thematic exposition. Ends March 6. Seven major series by sculptor David Smith are represented in the 60 large works in welded metal included in the exhibit. Ends April 24. (357 2700)

CHICAGO

Museum of Contemporary Art: 300 works from the superb modern Russian collection of George Costakis preserves the exuberant hopes of cubo-futurism, suprematism and constructivism through the paintings and designs of Kliun, Chasnik, Rodchenko, and Malevich before their extirpation by Stalin. Ends March 13.

VIENNA

Kunsthistorisches Museum: Stones of the Pharoes. An exhibition of works of art starting from pre-historic days, using a wide variety of materials from precious and semi-precious stones to various types of stone. Geologists have brought together 1,000 varieties of stone from 400 quaries in Egypt to identify the source of materials used as long as 2,500 years ago. Samples of rock are displayed alongside the statue or similar work of art. Ends Jan 23.

Historisches Museum: Oskar Kokoschka; the early years. Ends Jan 30.

LONDON

National Portrait Gallery: The Imperial Tobacco Portrait Award is one of the most imaginative examples of sponsorship of the visual arts in recent years. The prize is £6,000, with a further £1,000 for a commissioned portrait from the winner, for a recent portrait by any painter under 40. This year the winner is Humphrey Ocean, a sometime defector to pop music, specifically to Ian Dury and the Blockheads, but always an artist. His winning painting, and those of another 51 finalists make up the exhibition. Ends Jan 23.

The National Portrait Gallery: Van Dyck in England – if not unquestionably the greatest, pace Holbein, certainly the most prolific and lastingly influential of our Court Painters, establishing the image of romantic, doomed Cavalier grandeur in its final years. He could not have done this without an army of studio assistants and it is easy enough to recognise the fruits of the production line, but he was a wonderful artist for all that. He is a painter's painter, steeped in the works of the earlier Italian masters, and the worthy successor to his own master, Rubens. Ends March 20.

WEST GERMANY

Stuttgart, Staatsgalerie, Konrad Adenauer Strasse: Late 16th and early 17th century Italian masterpieces reflect the beginnings of Baroque. Ends spring 1983.

Munich, Haus der Kunst, 1 Prinzregentenstrasse: Oil paintings and drawings from between 1912 and 1936 by Giorgio de Chirico, the Italian artist. Ends Jan 30.

Berlin, Bauhaus Archiv, 13-14 Klingelhöferstrasse: Furniture, industrial products, models, sketches and photographs from between 1923 and 1964 by Ferdinand Kramer, the German architect and designer. Ends Jan 22.

Berlin, Akademie der Künste, 10 Hanseatenweg: Oh Canada has paintings, architecture, films, videos and performances documenting the development of today's artistic scene in the North American country. Ends Jan 30.

Hanover, Kestner Gesellschaft, 16 Warmbüchenstrasse: The first venue of an exhibition on New York Now touring the Federal Republic at present. It comprises more than 100 works from the last five years by 20 New York painters and sculptors. Ends Jan 23.

Cologne, Kunsthalle, Josef Haubrich Hof: The Three Magis has paintings, sculptures and artifacts dating from the 11th to the 19th century, depicting their veneration and adoration of the Christ child. Ends Jan 30.

Munich, Villa Stuck, 60 Prinzregentenstrasse: Vienna around the turn of the century is the topic of roughly 200 graphics and book illustrations by the so-called Austrian Secessionists. Among them Gustav Klimt and Oskar Kokoschka. Ends Jan 30.

Bonn, Kunstverein, 7 Adenauerallee: Landscape painting illuminated through recent works by six European artists. Ends Jan 30.

Munich, Lenbachhaus, 33 Luisenstrasse: A retrospective of 140 paintings, drawings, graphics and many documents offers an insight into the work of Josef Scharl, the German-American painter (1896-1954). Ends Jan 30.

ITALY

Rome, Campidoglio: An exhibition of 12 paintings and six drawings by Andy Warhol inspired by de Chirico. Ends Jan 31.

Florence, Palazzo Pitti: One hundred works from Dresden Picture Gallery. Ends March 4.

Rome, Accademia di Francia: 'Mediterraneum Picasso,' a collection of about 100 works inspired by Mediterranean life. Ends Feb 13.

Milan, Castello Sforzesco: Engravings from the Leonardo and Bramante Schools. Ends Jan. 31.

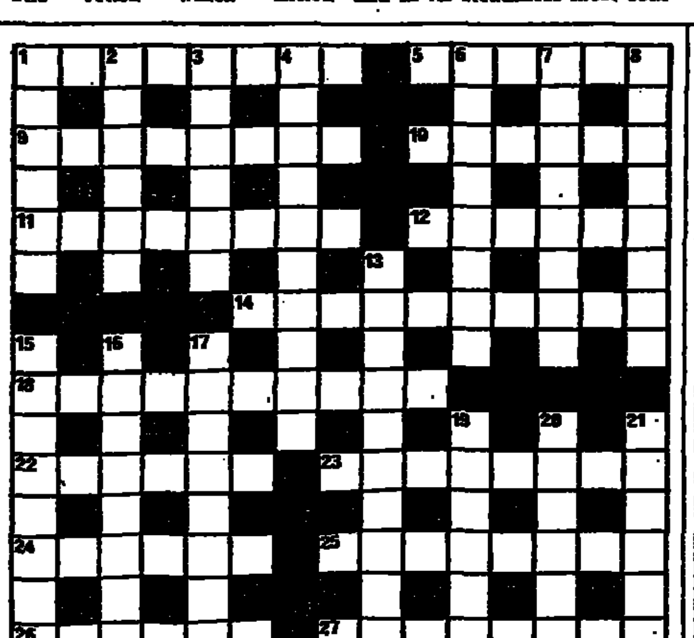
Milan, Palazzo Reale: Boccioni in Milan, A comprehensive collection of 400 of the painter's works, some being shown for the first time, to mark the centenary of his birth.

PARIS

From Carthage to Kairouan, 2,000 years of art and history in Tunis. Magnificent mosaics and a vast model of the Kairouan Mosque retrace the succeeding Phoenician, Roman and Islamic influences on art in Tunisia. Petit Palais. Closed Mon. Ends Feb 27.

Fantin-Latour (1836-1904). 150 paintings, pastels, drawings and lithographs bring home some unsuspected facets of his art. Best known for his rather sombre collective portraits of the intellectual elite of his time, his poetic flower compositions charm with luminosity and colours. Fascinated by music, his illustrations of Wagner and Berlioz are his escape into the world of dreams and phantasy. Grand Palais. Closed Tue, ends Feb 7. (260 3926)

F.T. CROSSWORD PUZZLE No. 5,071



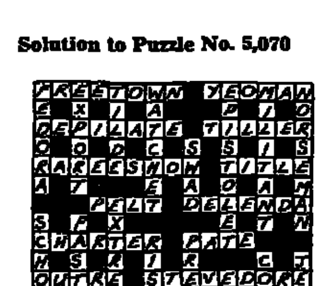
ACROSS

1 Gilbert and Sullivan's stage-craft (8)
5 They're for putting on vegetables (6)
9 Ring fighter (8)
10 Birthday party? (6)
11 End a hotel employee strike (8)
12 He attacked the Romans but turned tail at first (6)
14 Feeling for the right gear (5, 5)
18 Shares in growing concerns (10)
22 Demonstrates it's in error (4, 2)
23 Corresponding with a member of the family (8)
24 Shrinking flower? (6)
25 Oriental girl on a charge that is thrown out (8)
26 Canal bridge in an industrial town (6)
27 Provides soft soap and face cloths (8)

DOWN

1 Chemical result of smoking cannibis? (6)
2 Close, so ran up to a disturbance (6)
3 Ice-cold (6)
4 Highly cultivated feature of modern cities (4-6)
6 A trial on the way (4, 4)
7 Feelings shown by people put into some distress (8)
8 Penant shown by vessel with monarch aboard (8)
13 Hailstorm breaks out around the East—it's to do with temperature (10)
15 An event Jews won't forget or ignore (8)
16 Superabundance of the polar variety (8)
17 One point on a fork is unpleasantly sharp (8)
19 A clergyman has little right to come between father and son (6)
20 Look pleased about one literary comparison (6)
21 Game won by the over-forties (6)

Solution to Puzzle No. 5,070



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Sterling and the election

THE DECLINE in the value of sterling on the foreign exchange markets in the last few days, and indeed over the last two or three months, is not in itself a matter of major concern. There had long been a widespread view that the currency was overvalued and that some adjustment was necessary. This has now happened, in however, untidy a fashion.

Nor is the downwards movement entirely incompatible with the Government's exchange rate policy, such as it is. This has been to allow the pound to depreciate, but to limit the rate of the fall. There should be no great difficulty about putting Humpty dumpty together again.

Yet if the markets have become calmer and the pound has steadied, two considerations remain. One is economic and the other is political, though they are inevitably intertwined.

The Government's attitude to the exchange rate is not as clear as it should be. In theory, it is to let the markets do their best—or worst. In practice, it seems to be to intervene whenever movements are deemed to have become out of hand. It would be a useful service to everyone, and would help to remove uncertainty, if the Government would now indicate the broad limits of what it would like the effective rate to be. The targets might not be met, but at least they would be a guide.

Factors

Much of the comment about the pound's recent fall—not least in the markets themselves—has stressed electoral factors and especially the Labour Party's apparent commitment to a substantial devaluation. That was probably only a minor contributory cause in the last few days and it would be absurd to suggest that Mrs Thatcher should call an early election in order to defend the exchange rate. Still, that uncertainty is there and is liable to continue if the election is too long delayed or if Labour turns up in the polls.

The Prime Minister so far has leaned strongly to the view that a government with a majority in Parliament should serve a full term, or as near as makes no difference. And certainly her majority is not in question. She could go on until May next year without risking a serious defeat in the House of Commons.

Yet there is a more subtle way of looking at the election timing which suggests that priorities should now be changed. Mrs Thatcher has always claimed—indeed it has long been the conventional wisdom—that no government should go to the country prematurely without good reason. Until recently, no good reason existed.

It is different now. For a start, whether the Government likes it or not, it is obvious to everyone that we are in a pre-election period. Practically all political decisions will be influenced by that. The only question is the date, a choice which lies with the Prime Minister.

Commitments

It is also the case that the Government has—by and large—carried out its manifesto commitments. No great piece of legislation is now going through Parliament, nor is one about to. The Government's latest thinking on the trades unions, for example, emerged this week in the form of a Green Paper—for major action only after an election.

Moreover, there have been several times in the last few months when the Government has implicitly admitted that it is not in a position to launch new initiatives. The report from the Central Policy Review Staff on future ways of financing the health service was shelved partly because it was judged to be politically explosive and partly because the Government had no mandate for such radical change. Again, it is very unlikely that the Government will be able to do very much about the Serpell report on the future of the railways.

If the Prime Minister is still looking for a good reason for going to the country, there it is. The Government is beginning to be in need of a new mandate to enable it to carry out the reforms which it always said would take two terms of office to accomplish. She should not be pushed into it, but equally she should not risk delaying as Mr Callaghan did to his cost last time. The Conservative Party should be preparing its manifesto now.

A discipline for farm policies

TWO DAYS of talks between U.S. and EEC officials in Washington on farm trade could, on an optimistic assessment, mark the start of a process to remove a chronic irritant in transatlantic relations. The rhetoric, the threats of trade war, have been scaled down. The two sides have begun to talk about figures. With the steel dispute out of the way, at least temporarily, and the arguments about the sale of equipment to the Siberia-West Europe gas pipeline pushed aside, the atmosphere in which to resolve differences over farm trade policy is better than at any time for 18 months.

Less hopefully, the positions of the two sides may be so far apart that any hope of compromise is unrealistic. The U.S. will not be satisfied with less than a drastic reduction of EEC export subsidies for farm products. The EEC will not accept any tampering with the Common Agricultural Policy which leads to the subsidised sale of products on the world market at prices lower than those paid to its own farmers.

Pressure

The issue will not be resolved quickly enough to give President Reagan any immediate political relief from the pressures of a farming sector whose income is likely to decline for the third year running. In any event any extra export sales for U.S. farmers as a result of an agreement with the EEC would make only a small dent in the growing pile of international grain and dairy surpluses.

Yet President Reagan's pressure on the EEC for a change in its sales practices is an essential part of his policy of assistance for U.S. farmers. This policy now embraces a plan for farmers to take acreage out of production and receive in return produce from government stockpiles. At the same time the Administration is offering limited assistance, through loans and guarantees, to encourage sales overseas.

The U.S. squabble with the EEC is a part of a wider problem: world agricultural trade is not subject to the same disciplines as trade in manufactured products. There were always loopholes in the General Agreement on Tariffs and Trade (Gatt) on agricultural trading. Over the years they have widened, with the EEC in the vanguard of those seeking to push through the gaps in the legal fabric.

Transatlantic differences spring directly from the protectionist environment of the farm sector. The insulation of domestic markets and the high levels of price support for farmers encourage production which cannot be absorbed at home. The excess has to be sold on world markets and more efficient producers are displaced.

Intervention

All the major trading nations pursue farm policies made up of inconsistent elements. As a recent paper from the International Monetary Fund pointed out, they want security of supplies, fair incomes for farmers, stable markets and reasonable prices for the consumer.

Official intervention in the price structure of farm products is often used (and this is especially the case with the EEC's Common Agricultural Policy) to resolve social problems. The interference in the price structure spills over into the international markets. The tetchy relations of the U.S. and other agricultural producers with the EEC are unlikely to improve unless the specific trade issues can be considered in relation to the domestic supports for farmers.

The Gatt ministerial conference set up a committee to do precisely this, but it will not make any recommendations until November 1984. Any negotiating round which resulted could take another two or three years to complete. This is scarcely quick enough to avoid the sort of international acrimony which surfaced at the Gatt conference.

Using the price mechanism to solve the social problems of farming communities is a recipe for over-production, trade distortions and trade disputes. Direct income support would be a better way of addressing those problems and would have the merit of separating more clearly social policy from international trade. Most domestic farm policies—not only those of the EEC—have important implications for world trade; yet they are subject to few of the disciplines which regulate, however imperfectly, trade in manufactured products. Until internationally agreed rules for the farm sector are established, bilateral deals of the sort which may emerge from the talks between the U.S. and the EEC will do little to eliminate an increasing source of trade friction.

THE U.S. ECONOMY

Mr Reagan's sudden conversion

By Anatole Kaletsky in Washington

REAGANOMICS is dead — long live Reagan economics. As the President puts the finishing touches to his 1984 budget, the singular economic cult to which Mr Ronald Reagan has given his name and which even Vice-President George Bush once described as "voodoo economics," is being prepared for permanent interment.

And through the seasonal clouds of hot air which leak out of the U.S. Government each January at budget time, it is becoming possible to discern the outlines of a new economic policy—a reincarnation of Ronald Reagan's economics, with the "voodoo" paraphernalia of the President's original economic dogmas all but gone.

Only two weeks ago the omens looked "terrifyingly" bad for the U.S. and the world economy as a result of Ronald Reagan's apparent determination to go down fighting for his original beliefs.

Despite the near-certainty of a repetition of last year's budgetary stalemate — as Federal Government deficits soared from next year's $200bn to around $300bn for as many years ahead as the eye could see—the President's policies were "very close to being set in concrete." This is how his position was described by Senator Paul Laxalt, the President's closest personal friend on Capitol Hill.

Then, suddenly, in the past week, the prospects from the U.S. have started strikingly improving. The President appears to have undergone a fundamental economic conversion.

His top priority seems suddenly to have become reducing budget deficits, particularly in the years from October 1984 onward. He has begun to talk about taxes in the familiar language of demand management instead of "supply side" economics and he seems to have become aware of the limitations of monetary policy as the sole weapon against inflation.

All this could result in workable compromises between the White House, Congress and the Federal Reserve on fiscal and monetary policies and should help produce a moderate recovery in the U.S. economy. Furthermore it should give the Administration a better chance than ever before of reassuring the financial markets that budget deficits can be controlled in the years ahead.

Gradually investors should then accept that a choice between soaring interest rates and resurgent inflation will not follow inevitably on the heels of an economic recovery. If this confidence can be made to spread, interest rates could continue to fall, the dollar could drift further downwards and the whole global economy could be greatly strengthened.

The policies which the President is expected to approve for the 1984 budget before it goes to the printers this weekend all point in this direction. For example, the tentative decisions leaked or announced so far include:

Phil Thompson

Key figures in President Reagan's change of direction: Senate majority leader Howard Baker (left) and Mr Martin Feldstein, chairman of the Council of Economic Advisers (right)

- A cut of $8bn in the $247bn defence spending originally planned for 1984. Although this is mainly symbolic, it may open the way for further reductions in the horse trading between the President and Congress.
- Acceleration of social security tax increases, delays in benefit increases and other reforms which could save about $200bn over seven years.
- A $30bn package of cuts in other social programmes next year, which will doubtless be scaled back by Congress.
- A wage freeze for all 4m civilians and military employees of the Federal Government.
- And, finally, most important and most unexpected — a set of "contingency" tax increases which the Congress will be asked to pass into law, but which will only take effect if deficits projected in the fiscal years from October 1984 onwards exceed a certain "trigger level," perhaps $100bn or 2 per cent of Gross National Product.

Most of these ideas are still subject to revision and some may be dropped altogether.

In any case what matters most about the President's conversion to fiscal conservatism lies not in the specific numbers he may have chosen, but in the basic principles of traditional economics which he has apparently been persuaded to accept. If he genuinely embraces these principles, it would be hard to exaggerate the significance of his new world view.

Throughout the two years since its inception, Reaganomics has been confounded by internal contradictions. President Reagan came to power with five major politico-economic objectives — to rebuild the nation's defences, to reduce the size of government, to stop inflation by restraining monetary growth, to promote economic growth by restoring incentives through tax cuts and to balance the Federal budget.

It was an essential tenet of Reaganomics that all these objectives could be achieved at the same time. Mr Reagan's economic advisers encouraged him to shoot for all his goals at once. They warned that any hesitation would condemn him to what they called "Thatcherisation," ironically ignoring the fact that many of Mrs Thatcher's early economic troubles came from an exactly analagous belief that she could cut taxes, reduce monetary growth and inflation, stimulate the economy and narrow budget deficits simultaneously.

> It was an essential tenet of Reaganomics that all its objectives could be achieved at the same time

Anyway, the President did not need much encouragement in order to ignore the Cassandras among "traditional" economists who predicted that his policies would lead to growing budget deficits, high interest rates and eventually an economic slump.

As the disastrous consequences of pulling the economy in five different directions at once became irrefutable last year, it gradually dawned on the President and his advisers that instead of striving to achieve all his objectives at once, clearer priorities would have to be set.

Surprisingly from the viewpoint of the "traditional" economists in the Administration, this turned out to be in some ways a retrograde step. For what emerged as the President focused on his order of priorities was, according to several senior officials, that the political objectives—increasing defence spending and squeezing the other branches of government—came well ahead of the purely economic ones—monetary restraint, economic growth and reduction in budget deficits—in that order.

As last year's battles over the 1983 budget intensified, the President was forced to give a good deal of ground and eventually agreed to a modest package of deficit-reducing tax increases under great pressure from the Republicans in Congress. But as time went on, the growing numbers of Administration economists who were coming round to the conventional wisdom that high budget deficits had become the major impediment to an economic recovery, found it was as difficult as ever to persuade the President that he should narrow the deficits either by raising taxes or cutting defence spending.

Until two weeks ago, these "fiscal conservatives," who were led within the Administration by Mr Martin Feldstein, chairman of the Council of Economic Advisers, Mr James Baker, the President's Chief of Staff, Mr Malcolm Baldrige, the Commerce Secretary and Mr David Stockman, the Budget Director, with Mr Donald Regan, the Treasury Secretary playing a somewhat ambivalent role, apparently saw little hope of success.

Even Mr Feldstein, whose influence in the Administration has been growing rapidly since his appointment in the autumn, seemed unable to prevail against the President's deep-seated objections.

There were basically four of these. First, there was the simple fact that the President seemed to accord a higher priority to defence spending than to promoting economic growth or lowering interest rates, although he would rarely express himself in such an explicit manner.

Second, he refused to back away from his campaign promises about cutting taxes.

Third, there was the question of timing. The persistence of the recession pointed to fiscal stimulation, through lower taxes rather than more deflation. Until recently, the Administration's disdain for anything resembling old fashioned "fine-tuning" of economic demand effectively excluded from consideration ideas put forward by Keynesians

President Reagan's last objection to tax increases was the most fundamental and subtle. After being forced into a $98bn package of tax "reforms" by Congress last autumn, President Reagan declared that it would "take a palace coup" to make him raise any more taxes. The deepest reason for his passion on this issue was not, apparently, connected with whether or not he accepted his advisers' argument that in the current circumstances high deficits can do more harm than high taxes to the immediate prospects for economic growth.

Instead, according to some of these advisers, as the President's priorities jelled, he became more convinced than ever that keeping taxes down was the only way to restrain the growth of non-military government spending in the long term. And he regarded this, it seems, as a more important priority than satisfying the financial markets about the prospects for budget deficits in the years ahead.

In effect, the President seemed prepared to keep the nation in a state of permanent budgetary crisis in order to "simply cut government off at the pockets," to quote another favourite slogan of his.

In principle, most of the President's advisers could not but sympathise with this idea. They too, believed that the rise in Federal government spending from 18.5 per cent of GNP in 1960 to 24 per cent of GNP in 1982 was the nation's most fundamental economic problem. They also tended to share his view that "Congress will just spend every cent they can get their hands on," as one official said. By the beginning of January, most of Mr Reagan's officials were apparently giving up on persuading him to narrow the deficits with more taxes.

It was at this point that the congressional Republicans, led by Senator Laxalt, Senator Howard Baker, the Senate majority leader, and Senator Robert Dole, the Finance Committee chairman, intervened. If they had merely persuaded Mr Reagan to change his budget by pleading that huge and persistent deficits would be electorally suicidal for the Republican Party, it would be premature to speak of a fundamental change in the President's attitude to economic policy.

Yet there are signs that the conversion was more than just a question of political expediency. It is possible that the President has been made to realise that his whole political leadership, not just his economic policy, is now at stake. In particular, this includes the defence build-up and the progress he has made in cutting social spending, both of which could be thrown back into the melting pot if Mr Reagan loses the initiative on the budget again as he did last year.

Even more fundamentally, it has been argued forcefully by Mr George Shultz, the Secretary of State, among others, that a military build-up based on a weak economy is unlikely to enhance the nation's ability and willingness to defend its interests. As the New York Times put it last Sunday in an editorial entitled "The Failing Presidency."

"Instead of forcing the Russians to choose between guns and butter, Mr Reagan is forcing this choice upon the Americans. He is sapping more of America's strength than Russia ever could."

For this reason, if for no other, Mr Reagan may at last have decided to turn away from his "voodoo" nostrums and back to serious economics again. "The truth is there are simple answers—there just are not easy ones," Mr Reagan said in his first inaugural address as Governor of California 15 years ago. Has he now realised that his original economic policies, promising all things to all men, were just too easy—and simply wrong?

Men & Matters

Club class

Robin Leigh-Pemberton's departure for the Bank of England leaves the Committee of London Clearing Bankers (CLCB), the exclusive club of Britain's big four banks, with a tricky problem.

Leigh-Pemberton is less than six months into a two-year stint as chairman of the CLCB and now a replacement must be found.

Normally the job would be filled by promoting deputy chairman Tim Bevan of Barclays. But such a simple solution would break one of the club's unwritten rules: that the CLCB chairman is never drawn from the same bank as the chairman of the powerful Chief Executive Officers' committee.

John Quinton, senior general manager of Barclays Bank, only took over that post last April. So the big four are having to put their heads together.

As Sir Jeremy Morse of Lloyds Bank has just finished a two-year term as CLCB chairman, it is unlikely that he would want to take on the job again. Midland's new chairman, Sir Donald Barron, is still feeling his way round the problems of Britain's least profitable bank, so he is ruled out, as is Leigh-Pemberton's successor at NatWest. (For what it's worth, my money is still on Sir Anthony Touche.)

One way out—since some members seem determined that Barclays will not hold both key posts—would be to break with tradition and invite the chairman of one of the smaller clearers, such as Williams and Glyn's or Coutts, to fill the vacancy.

More adventurous yet, why not widen the membership by choosing the chairman of a bank like the Co-op or National Giro?

But like all decent clubs, the big four seem very reluctant to open the doors to all and sundry. And the most likely outcome is that John Quinton will step down from the CEO to allow his chairman Tim Bevan to step up at the CLCB.

If that happens, John Davis of Lloyds would take over the top spot on the chief executives' committee.

Job opening

Employment Secretary Norman Tebbit is tired of being identified with bikes. He has moved on to garden gates.

During an industrial relations conference in London yesterday Tebbit was asked what he felt about unemployment. It was a bad thing, he conceded. Something would have to be done.

Mind you, he went on in lighter mood, he sometimes wondered about all this unemployment. He had recently tried to get his garden gate mended. And, do you know, it had taken three months to find someone to do the job?

Weather eye

Weather experts are trying to discover if the drought that has struck simultaneously in countries as far apart as Namibia, Australia and Indonesia has a common cause.

One exotic theory has pinpointed the villian as a large mass of abnormally warm water in the Pacific off the west coast of South America. The theory goes that unusually high moisture in the air above this area has distorted weather patterns in other parts of the southern hemisphere, pushing rain clouds well to the west of their normal track.

South African scientists ascribe the drought in their part of the world to an obscure phenomenon known as a "planetary wave in the circumpolar westerlies vortex." This is said to have forced low pressure areas further north than they ought to be.

The problem in testing these theories is lack of data. There are only four off-mainland met stations to monitor weather conditions over the seas which form 80 per cent of the hemisphere.

And there are some weathermen in the drought-stricken countries too busy at present trying to guess when it will rain to find time to wonder why it hasn't.

"In the old days Benjamin Britten would have just written an opera about it."

Starr wars

Just what, you may ask, was the "erratic behaviour," for which Richard Starr, the chief U.S. representative at the Mutual and Balanced Force Reduction (MBFR) talks in Vienna, was dismissed by President Reagan?

Well, there was his tendency to make speeches and statements without advance clearance from Washington. Starr recently forecast for example that the 10-year-old MBFR talks might be wrapped up in agreement this year—an impression of progress which the Reagan Administration evidently found unacceptable. There are many in Washington who say that MBFR stands for Much Better For the Russians.

But what really caused raised eyebrows, according to State Department officials, was Starr's growing concern for personal security.

Starr has always been security minded. He is a reserve colonel in the U.S. Marines and even when he was an academic at the Hoover Institution in California wore military boots with his civvy suits.

After taking up his post in Vienna, Starr was reported to have been very upset by the kidnapping in Italy of U.S. General James Dozier.

Since then Starr had been pestering Washington to give his bodyguards bullet-proof vests, pistols and an armoured car, officials said.

Unbilled

Stung by complaints that its billing system is unaccurate, the Irish Department of Posts and Telegraphs invited local reporters to view the electronic wizardry which "ensures that nothing can go wrong."

Alas for the Post Office, one reporter, from the Irish television service RTE, turned up with a bill for I£900 she had received—and claimed she had been overcharged.

An embarrassed departmental official in charge of customer relations investigated and found the bill should have been I£15.

Cut price

Sign, over a box of second-hand golf balls in a North London shop: "Ready sliced."

Observer

Photograph donated by R. Ian Lloyd, Apa Photo Agency, Singapore.

A green earth or a dry desert?

There may still be time to choose

The World is destroying its tropical rainforests. Half the forests have gone, and the speed of destruction is accelerating. If this continues we will lose for ever the earth's greatest treasure house of plants and animals, perhaps our most valuable natural resource for the future. In the next 25 years the vast forests of Malaysia and Indonesia could be gone forever, leaving erosion to turn a green paradise into a barren wasteland.

It's happening partly because the local people depend upon the forests for their immediate needs for survival, partly because of demand in the developed world for tropical timbers.

In 1980 the WWF and other authorities published a plan for developing resources without destroying them. We need your help to ensure that it is put into action. Write to WWF for more information. It could be the most important letter you ever write.

World Wildlife Fund – UK, Panda House, 11-13 Ockford Rd., Godalming, Surrey GU7 1QU.

WWF FOR WORLD CONSERVATION

FOREIGN AFFAIRS

The rifts begin to show

By Ian Davidson

WE ALWAYS knew that 1983 would be The Year of the Missiles, but it opened with even more of a rush than anyone could have expected. Within the first fortnight, the Soviet bloc wrong-footed the West with a major "peace offensive," and the U.S. President had sacked his chief arms negotiator. Mr Eugene Rostow's departure is a major bonus for the Soviet propaganda drive, which has already exposed serious divisions within the Atlantic Alliance.

Until a couple of weeks ago, Nato was still affirming the polite fiction that it remained united on the so-called "zero option" for land-based missiles in Europe: successful negotiations in Geneva to get rid of the Soviet SS 20 weapons, or deployment from the end of this year of a new array of Pershing II and Cruise missiles on the western side. The fact that the Dutch and the Belgians were sitting on the fence, and the Danes and Norwegians were getting cold feet, did not really matter because at least the British, Germans and Italians were all standing firm.

Now, however, the Soviet propaganda drive has revealed differences of opinion, which promise to add fuel to the public controversy undoubtedly lying ahead. The new German Chancellor, Helmut Kohl, has evidently given pledges to President Reagan on the eventual deployment of new missiles which are if anything *firmer* than those given by his predecessor Helmut Schmidt; but his foreign minister, the Liberal leader Hans-Dietrich Genscher, is quite visibly wobbling away on a much more uncertain tack, and breaking ranks with the U.S. negotiating position ostensibly still supported by the alliance. Mr Hans-Jochen Vogel, the German Social Democrat party leader, has hastened to Moscow, and declared himself encouraged by what he has heard there.

In Britain, the Prime Minister has taken a sternly sceptical view of Soviet arms control proposals. But her foreign minister, Mr Francis Pym, has described the Warsaw Pact communiqué as "a very *important document.*" Mr Emilio Colombo, the Italian Foreign Minister, has openly urged a softening of Nato's negotiating position on European-based missiles.

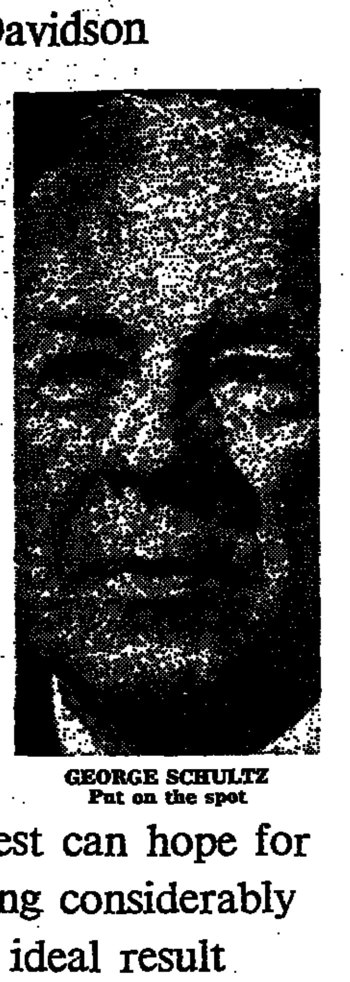
Across the Atlantic, President Reagan's first, instinctive reaction to the Soviet peace push was one of negligent dismissal. Recognising that this might, after all, prove poor counter-propaganda, he then moved to a more considered posture of cautious moderation, and instructed Vice-President George Bush to visit Europe at the end of this month, with the evident purpose of rounding up the allies into a more coherent flock.

But if this attempt to assume a posture of moderation did anything to improve his image with the general public in Europe, it can only have been undermined by his abrupt dismissal of the administration's chief arms controller, Mr Rostow, head of the Arms Control and Disarmament Agency (ACDA). By most ordinary standards, Rostow is a hawk on questions of U.S.-Soviet relations. But he had to go because he had come *to be regarded as too liberal* by the ultra-hawks; in particular, he seems to have been too quick to entertain the view that the U.S. needed to moderate the purity of its opening zero option position in the Euro-missile talks, in order to accommodate the evolving views of the European allies.

The net result of all this is a state of great confusion within the Alliance, in general about the right tone to adopt in the face of the Soviet peace offensive, in particular about that burning issue for European governments, the right way to tackle the Geneva negotiations on the Euro-missiles.

On the face of it, there is nothing irrational about considering a modification in the West's opening zero option proposal. From Nato's point of view, the scrapping of the Soviet missiles and the shelving of deployment of new U.S. weapons would be an ideal result. The problem is that few negotiations ever produce an ideal result, and in this case the 330-odd Soviet weapons are already on the ground, whereas European governments are facing strong domestic resistance to *future* deployment of new American missiles. The *West is therefore in a weak* negotiating position, and the best it could hope for would be something less, perhaps considerably less, than an ideal result.

EUGENE ROSTOW
Abrupt departure



GEORGE SCHULTZ
Put on the spot

The best the West can hope for may be something considerably less than an ideal result

In a rational world, the only question facing Western negotiators seriously seeking limitation on Euro-missiles would not be whether to modify the opening position, but when: now, later, just before the new U.S. missiles are due to start being deployed, or after they have started being deployed? In this rational world, the shifts in position of the British, German and Italian foreign ministers on the one hand, and the sacking of Mr Rostow on the other, might imply little more than a difference of opinion about timing.

The trouble is that we do not *know if* there is any deal on Euro-missiles which could possibly satisfy both superpowers. From the Russian point of view, the scrapping of their SS 20s, in the absence of any corresponding *Nato weapons, might seem* an act of unilateral disarmament, and Mr Andropov has expressly ruled out any such unilateralism on the Soviet side.

Some would argue that the Russians do not want any limitation of land-based missiles in Europe: the U.S. could partially compensate for non-deployment of land-based Cruise and Pershing missiles by sea-based Cruise in the north Atlantic and Mediterranean, whereas sea-basing is a more difficult option for the Soviet Union in view of its geographical position. It is not *surprising, therefore, that Mr* Andropov's proposal for a (small) reduction in Soviet Euro-missiles would require a correspondingly large concession on the Western side—a limitation on the national strategic missile forces of France and Britain. Such a bargain has immediately been rejected by both these governments.

So far, there are no corresponding grounds for suspecting the good faith of the American Administration. But the general thrust of Reagan rhetoric has long been that rearmament must be a concomitant, perhaps even a precondition, for any disarmament. The fact that the foreign ministers of all three of the "stalwart" European members of Nato should have chosen to go public in their advocacy of a softer negotiating position does not necessarily suggest that there are transatlantic differences which touch on more fundamental issues than those of mere timing. But it does suggest that there is growing disquiet on this side of the Atlantic at the lack of momentum in the Geneva negotiations, and the disquiet is most acute in West Germany, where all three major political parties urgently need some indications of progress to offer the public before the general elections on March 6.

If there is one thing more certain than another, it is that this disquiet can only be reinforced by the sacking of Mr Rostow. Who knows, some good may come if it forces Mr George Shultz, the U.S. Secretary of State, to focus more closely on disarmament questions than he has so far. But until that occurs, if it does, there is liable to be a hiatus in the negotiating process, and thus a further incentive for European politicians, especially in West Germany, to engage in public controversy over what ought to be handled more discreetly in Geneva.

Prospects for a negotiated deal in the parallel U.S.-Soviet Start talks on the long-range strategic nuclear weapons of the two superpowers are inherently brighter than those for a Euro-missile pact, because both sides are already talking about reductions in their arsenals, and because the geo*graphical asymmetry is much* less acute: for the Russians, any missile which can hit Soviet territory is "strategic," *even if* it only comes from Western Europe. But the replacement of the ACDA chief, and the White House-Congress deadlock over the new U.S. MX missile, suggest that there may well be a hiatus in these negotiations as well.

Logically, perhaps, such a hiatus need not be inevitable. But President Reagan has *hinted, and his chief Start* negotiator in Geneva, General Edward Rowny, has confirmed, that the U.S. proposals for deep cuts, especially in land-based missiles, might have to be reconsidered if Congress does not give the go-ahead to the MX.

The problem for the Administration is that, having made a great song-and-dance about the *intrinsic* vulnerability of the U.S. land-based ICBM missiles to the multiple warheads of Russia's much larger ICBM force, it cannot think of any way of making the new MX missile invulnerable which is both plausible, affordable and consistent with existing arms control agreements. A special Commission on Strategic Forces has been set up to review the whole situation, and is due to report by February 18. But it is almost a foregone conclusion that it will be unable to devise an invulnerable method of basing which satisfies these three criteria: the accuracy of modern missiles means that land-based ICBM's *are* vulnerable—that is why the U.S. has put such a large proportion of its own missiles on submarines.

The logical consequence of this is that President Reagan will have two distinct options: *he can either declare that* ICBM vulnerability is not merely incurable but also less worrying than he had at first feared; or else he can try for a basing mode which would probably smash existing U.S.-Soviet agreements, and thus jeopardise any prospect of progress in the Start talks. The former option would be out of character, given his propensity to judge any position by its consistency with his campaign rhetoric of three years ago; the latter would cause a major crisis, not merely with the Soviet Union, but also within the Atlantic Alliance. The *seething* controversy over the Euro-missile issue can give us only the faintest hint of what *that* crisis would be like.

Lombard

The ghost of Mr Lansbury

By Malcolm Rutherford

WHEN THE local library was selling off its surplus stock the other day, I came across a book that I did not know existed—*The Life of George Lansbury* by Raymond Postgate, published in 1951.

Lansbury succeeded Ramsay MacDonald as leader of the Labour Party after the debacle of 1931. In this sympathetic portrait he sounds astonishingly like Mr Michael Foot, the present leader, and there are some remarkable parallels in their careers.

Both men began their political life as Liberals. They turned to socialism for similar reasons: Lansbury because he saw the poverty of the north of Ireland, Foot because he saw the same sort of thing in Liverpool.

Both were journalists although, unlike Foot, Lansbury did not write for the right-wing Press. He became editor of the *Daily Herald* in 1913 at the age of 54. It was a polemical paper, but its contributors were not all socialists. Belloc, Chesterton and the young Rebecca West were among them. One of the few who refused was Bernard Shaw who sent a postcard saying: "Neither you nor anybody else can keep a daily Labour paper going." But Lansbury managed it.

There is another parallel in the way the two men became Party leader. In the general election of 1931 Labour won only 46 seats after 289 in 1929. Lansbury was the only Cabinet Minister to survive (apart from those who had crossed the floor). There were two surviving junior Ministers, Clement Attlee and Stafford Cripps.

Lansbury was the obvious choice, but it was the mood of the Party that sounds familiar. Postgate describes it thus: the Party did not want "a Parliamentarian who could slur over difficulties by wordy formulas... It wanted someone who could restore its confidence in human decency and its belief in its future; perhaps (in psychological cant) it wanted a father."

Isn't that rather how Foot emerged, though by a different voting method, years later? *Both men had been rebels in* their time. Both were regarded as being on the left of the Party. Both were getting on: Lansbury in his early seventies, Foot in his late sixties. But they were both also seen as unifying, likeable, even loveable figures who might be able to heal the wounds and end the bitterness of the past.

Perhaps the most striking parallel concerns defence. Lansbury, like Foot, was not a pacifist, but he was not far short of it. When Lord Ponsonby, the Labour leader in the Lords, wrote to him in 1933 that it was time to demand that Britain disarm totally "as an example," he did not go along. He said that he wished British armaments would be lowered to the very plimsoll line of safety, but he was not in favour of "unilateral disarmament."

Yet, then as now, practical decisions had to be taken. Lansbury's approach to Abyssinia seems to have been rather like Foot's approach to the Falklands. He supported economic sanctions. He believed in the League of Nations. He was not even wholly against some vague threat of military action. But he would not condone military sanctions if economic sanctions failed.

In the end that, and his general lack of enthusiasm for rearmament of any kind, was his undoing. He also underestimated the power of the union leaders: Postgate called them the "new Nabobs."

The best known quote about Lansbury comes from the Labour Party Conference of 1935. Ernest Bevin of the Transport and General Workers' Union denounced him: "It is placing the executive in an absolutely wrong position to take your conscience round from body to body asking to be told what to do with it." Lansbury resigned the next day to be succeeded by Attlee. The Government called an immediate general election and won handsomely.

One of the ironies of the story is that if Lansbury had not resigned in this way, Attlee may never have become leader because the election returned to Parliament several more obvious contenders for the succession.

The similarities between Lansbury and Foot cannot be pressed any further at present since the latter still leads the Party. Read on in a year or so.

Letters to the Editor

Advantages and disadvantages of loans for students

From the President National Union of Students

Sir,—The argument that a system of student loans would encourage students to acquire "economically supportive skills" (as put forward in your editorial of January 10) has a long but not too distinguished history. It was rejected by those who supported the 1962 Education Act and by the Anderson report which preceded it and established the principle that "the nation urgently needs the greatest possible number of highly educated men and women."

Looked at from another angle your assertion has some validity. *One of the potential* disadvantages of a loans system (though by no means the most serious) *is the distortions* it would produce within institutions. The threat of unemployment is *already demoting* the humanities and this effect would be compounded by the need to repay a loan. As a result, standards would fall and the viability of institutions as centres for a multi-subject curriculum be threatened.

There are further important objections to the Government's reported plans, which your editorial neglected to consider. The ability of a loans scheme to save the Government any money is very much in question, loans at a subsidised rate of interest are an expensive business as the banks have pointed out many times. It would discriminate against working-class and mature students and women who would all be seriously disadvantaged by the probability of debts. Problems of default and administration in other countries are well documented.

Proponents of loans usually argue either on moral/ideological grounds or on the pragmatic basis that they think it would create a better education system. Your editorial is firmly in the latter camp but fails to explain the details of the case. *The alternative to grants* is not loans, but a better grants system.

Neil Stewart.
3, Endsleigh Street, WC1

From Mr G. Dunbar

Sir, — In your editorial of January 10 you do, as you state, present a strong case for student loans. Your argument is, however, solely an economic one; it assumes that the purposes of education are to be identified with the economic interests of a nation.

To make such an assumption is to miss an important distinction: that between education on the one hand and vocational training on the other.

Considering the former in the light of our nation's liberal traditions, one can see it as nothing less than an end in itself: "Better to be Socrates penniless than to be a pig rolling in it," to paraphrase J. S. Mill.

To argue that vocational training should be subject to economic pressures is more plausible; if people don't have the skills the economy requires, it will suffer. Accepting this argument for giving full control of vocational training to economists would, however, entail the adoption of the fallacy that any activity not having economically measurable benefits *for society is* without value to it.

George Dunbar.
76, Ashley Terrace, Edinburgh.

Outstanding questions

From the Director, Council of Foreign Bondholders

Sir,—I think it would be a mistake to infer from the item in Men and Matters (January 10) that every outstanding question arising from the London Debt Agreement has been settled. The Koblenz Tribunal ruled in May 1980 that no adjustment of payments to holders of Young Loan Bonds was required as a result of the revaluations of the deutschemark in 1961 and 1969. This left open a number of questions relating to the period after currencies began to float in 1971. This Council, jointly with sister organisations in five other interested countries, has been trying, so far without success, to persuade the German Government to enter into discussions about these questions. The news that the West German Foreign Office has fought against moves to close the Commission implies at least some recognition on their part that there are still loose ends to be tied before the London Debt Agreement can be consigned to history.

M. Gough,
35, High Street, Bromley, Kent.

Life assurance commissions

From Mr J. Trevor,

Sir, — Christopher Price (January 7) expresses almost entirely the sentiments which my colleagues and I set out in a letter to 90 insurance offices last November.

It does seem incredible to us that the life assurance industry has been unable to reach agreement over this matter and the only people who will suffer in the long term are undoubtedly the customers. I have tried to influence the thinking of the insurance companies by suggesting that rather than increase commissions they should reduce their expenses by limiting commissions paid to non-full-time insurance intermediaries to perhaps only 20 per cent of that paid to the full time intermediary.

Having also written in November to over 500 brokers, it would seem that many of them agree with my views but feel that as "voices in the wilderness" there is nothing much that we can do to safeguard the public's position and improve our own image. The representations made by the British Insurance Brokers Association seem to have fallen on deaf ears if the results are anything to go by! It would seem that the ideas expressed in Mr Price's letter have not been understood by the life assurance company then concerned with these issues.

Perhaps some further representations should be made?

J. A. Trevor,
9, Station Chambers,
Woodcote Road,
Wallington, Surrey.

Contemplating a London listing

From the Chief Executive, The Stock Exchange

Sir,—Lex's piece (January 6) on the impact of the EEC sixth directive on U.S. Big Board companies contemplating a London listing is misleading and does the London market a disservice.

It is true that the present concession which allows a U.S. Big Board company to be listed without issuing a prospectus in London will no longer be available, but it is our belief that such companies will find no difficulty, and little additional cost, in supplying a prospectus in London in connection with a listing. It is worth noting in particular that the EEC directive does not require an accountant's report.

Lex suggests that costs would rise five times. The only new element of cost of any significance which we can identify is the possible need to employ a lawyer, and we hope that the legal profession would wince at the idea that this is what you have in mind. There is no question of any material advertising costs.

It is not true to say that further issues by U.S. companies listed in London will necessitate a full prospectus "at considerable expense" every time the company issues new shares. True, a document (rather oddly referred to in the directive as an "information sheet") will normally have to be filed with the Stock Exchange to support the listing. But there are various possibilities for partial or total exemption, in particular where the new shares are less than 10 per cent of the existing shares of that class. This will exempt *many issues completely. Moreover* it is likely that account will be taken of information already publicly available. And there are special concessions available for Eurobonds.

The exact shape of things is not yet settled. The Government has not yet announced the implementation arrangements. It is worth noting that the principle which will obtain after implementation is very similar to that which exists at present in other European countries. We are therefore confident that the new arrangements will not impose unacceptable obligations on companies.

J. R. Knight.
The Stock Exchange, EC2.

Re-wiring the nation

From Mr R. Prater

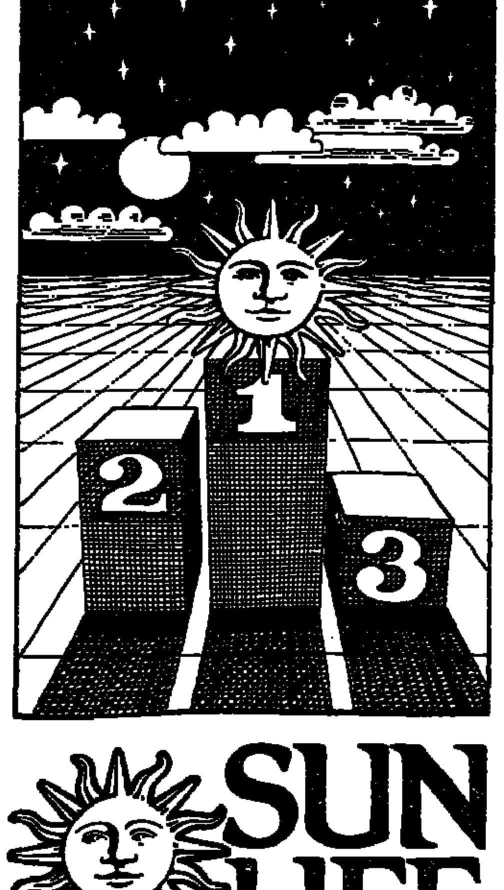
Sir,—I must respond briefly to Mr Julian Bray's criticism, published on December 30, of my letter which escaped my attention earlier due to the holidays.

I most certainly agree that ducting should be laid so as to accommodate a star network. Indeed, theer is very little difference between ducts designed for tree and branch and those designed for star networks, the major difference being in the arrangement of wires within the ducts, although one would anticipate ducting for star systems would be somewhat larger than that required for tree and branch systems.

Mr Bray states that we have fibre optic cable and can provide a switched star network and that all that is necessary is to tackle the problem of industry standards. In terms of what is available now and can be realisically considered by companies wishing to install wideband distribution systems, fibre optic technology is insufficiently well developed and far too expensive vis-à-vis coaxial cable and suitable wideband switches at reasonable prices simply do not exist.

R. C. Prater,
44, Withdean Road,
Brighton, Sussex.

Sun Life: one of our policies is being first



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FINANCIAL TIMES
Friday January 14 1983

BELL'S
SCOTCH WHISKY
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U.S. PRESSURE BREAKS DEADLOCK OVER AGENDA

Israel and Lebanon begin talks

BY DAVID LENNON IN TEL AVIV

THE NEGOTIATIONS on an Israeli withdrawal from Lebanon and the development of peaceful and normal relations between the two countries began in earnest yesterday afternoon after agreement in the morning on an agenda for the talks.

The breakthrough in the deadlock over the agenda came at the sixth negotiating session, held in Kiryat Shmoneh in northern Israel, when the Lebanese agreed to include a discussion of "mutual relations" on the agenda.

From the outset, the Lebanese had objected to Israel's demand that "normalisation of relations," be included on the agenda. But now they have accepted the proposal by the American mediators for discussions on a "framework for mutual relations," which will include the movement of goods, people and communications across the border.

The discussions yesterday afternoon concentrated on the first item on the agenda the "termination of the state of war" between the two countries.

The other subjects on the agenda are security arrangements, the withdrawal of Israeli troops within the context of the evacuation of all foreign forces from Lebanon, and possible guarantees.

The topics will be discussed concurrently, and already yesterday afternoon discussions were held on setting up sub-committees to deal with the various issues.

The U.S. delegation, led by Ambassador Morris Draper, played a key role in devising a formula for getting agreement on the agenda. It is also assumed that it was American pressure that persuaded both sides to compromise on their original positions.

Mr Philip Habib, the special U.S. Middle East envoy, met Mr Menahem Begin, the Israeli Prime Minister, in Jerusalem yesterday, and delivered a letter from the U.S. President Ronald Reagan.

Despite recent reports of severe strain in relations between Jerusalem and Washington, yesterday's meeting was amicable, according to Mr Begin's spokesman. He also said that President Reagan's letter was friendly.

There was no reference after the meeting to U.S. reports that Washington was dragging its feet over arrangements for Mr Begin's visit to Washington next month, because of President Reagan's impatience with Israeli inflexibility in talks with Lebanon.

Mr Philip C. Habib

General Ariel Sharon, the Defence Minister, said yesterday that he was certain that Israel would achieve everything it wants in the talks with Lebanon.

Venezuelan agency sued for default

By Peter Montagnon, Euromarkets Correspondent

A LEADING Venezuelan state agency, Corporation Venezolana de Fomento (CVF), is being sued in New York for failure to make payments due under an international loan agreement since last April.

The amount involved is only $2.65m, but the case, which was brought by the Hong Kong subsidiary of Nordic Bank, the London-based consortium, is viewed with mounting concern in the Euromarkets because it could jeopardise Venezuela's efforts to refinance its $8.7bn short term debt.

Fears of a lower oil price and the $200bn debt crisis in Mexico, Argentina and Brazil have changed the climate for lending to Venezuela. Many smaller banks are looking for any excuse – such as payments arrears – to cut back on their lending.

But if the country's short-term debt refinancing fails, Venezuela, which is already suffering from capital outflows, risks massive cost to its reserves and ultimately being forced down the same rescheduling path already taken by other Latin American borrowers, said one banker in New York yesterday.

Nordic Bank confirmed yesterday in London that it had secured an attachment order against the assets of CVF, the country's development finance institution. CVF failed to meet its obligations as guarantor of a promissory note issued by the tourism concern Hoteles Vacacionales, which missed an interest payment on the note in April and a principal repayment in October.

Bankers in Venezuela stressed yesterday that the problem lies in an awful bureaucratic tangle rather than an actual shortage of foreign exchange. Venezuela's reserves were officially put at $17bn last November and broadly offset its foreign debt of $18.5bn.

Ecuador rescheduling, Page 4

Spain in talks with Panavia over possible Tornado purchase

BY BRIDGET BLOOM IN LONDON AND TOM BURNS IN MADRID

SPAIN'S new Socialist Government is to reconsider the possibility of buying the Tornado, the European combat aircraft, as part of its programme to modernise the Spanish air force.

The Government has reopened talks with Panavia, the British, West German and Italian consortium that builds the aircraft. This is despite the fact that the Government has already signed a letter of intent to buy 84 F-18A aircraft from McDonnell-Douglas of the U.S.

The decision to re-evaluate the Tornado was conveyed to Panavia before Christmas, the company said yesterday. Panavia representatives are in Madrid for preliminary talks with the Spanish Ministry of Defence.

Spain has apparently not yet told Panavia how many of the multi-role combat aircraft it might need.

The decision to reconsider the Tornado – which had been the subject of intensive but apparently abortive negotiations over the past few years – has caused some surprise in European military circles since the Government appeared committed to the $3bn McDonnell Douglas deal.

However, Spain's socialists were critical of the U.S. deal when in opposition and are now thought to be seeking to modernise the air force with a mixture of U.S. and European aircraft.

Industry sources suggested yesterday that Spain would be interested in acquiring the basic strike version of the Tornado, called the GR1. In Britain, these cost about £15m ($23.5m) each, and the air defence variant about £17m.

The Tornado is being built as a collaborative Nato venture by British Aerospace, Messerschmitt-Bölkow-Blohm of West Germany and Aeritalia of Italy. So far, 809 are planned, of which 385 will be for the RAF, 324 for the German air force and navy and 100 for the Italian air force.

There are as yet no export orders for the Tornado, although negotiations between Panavia and the Greek Government are far advanced. Greece is expected to decide whether to buy Tornado – or the rival U.S. F-16, F-18 or French Mirage 2000 – later this year.

● THE Prime Ministers of Sweden and Norway reached agreement in Oslo yesterday on a trade deal. Norway will take Swedish defence equipment worth several billion kroner in exchange for Swedish purchases of Norwegian products. These will include military equipment and high-technology industrial goods.

Mr Olof Palme, Sweden's Prime Minister, was making his first official visit to Norway since his Social Democratic Party was returned to power last autumn.

The value of goods likely to be exchanged under the agreement was not revealed. But reports say it would involve trade worth about NKr 7bn ($1bn) over a period of seven to eight years. Norway's purchases will probably include heavy-duty military vehicles and coastal artillery.

World Bank in new co-financing scheme

BY NANCY DUNNE IN WASHINGTON

THE WORLD BANK confirmed yesterday that it will set aside up to $500m over the next years for a new form of co-financing that will involve it for the first time as an active participant in syndicated loans.

Under the co-financing scheme, agreed this week by the bank's executive board, developing countries be offered two loans to finance a project.

One will be made directly by the bank itself, while the other will be provided by a syndicate comprising both the World Bank and private commercial lenders.

The new arrangements could result in a total of $2.5bn in loans going to 15 to 20 countries.

World Bank participation in the second loans will make it possible for private banks to offer significantly longer term loans than they have in the past.

The World Bank will finance or guarantee the later maturities, and borrowers will start repaying the World Bank only after the commercial lenders have been repaid.

Mr Ernest Stern, senior vice president who announced the new programme, said the bank will continue to refuse to reschedule payments for any of its loans and would halt disbursement on all loans in a country which fails to meet its obligations.

He said co-financed loans could only be rescheduled if commercial banks break the syndication and do a separate rescheduling.

Halting all disbursements is "a powerful tool," he said, and private lenders which stay in with the World Bank would be offered some measure of protection.

Mr Stern said the programme was part of an effort to encourage "second-line" banks, including smaller regional lending institutions in the U.S., to resume lending to such countries as Mexico after they had completed debt rescheduling agreements.

Verdict on Calvi challenged

By Raymond Hughes in London

NEW evidence has come to light indicating that Sig Roberto Calvi, the head of the Banco Ambrosiano who was found hanged from Blackfriars Bridge in London last June, may have been murdered. The evidence has arisen since the inquest at which a suicide verdict was returned, the London High Court was told yesterday.

Lawyers for Sig Calvi's family were given leave for a judicial review of the matter, with a view to getting the majority verdict quashed and a new inquest ordered.

Mr George Carman, QC, for the family, told Mr Justice Glidewell that, apart from the fresh evidence, there were three bases on which the verdict was challenged:

● Serious misgivings about the way the inquest was conducted;
● Procedural irregularities;
● Misdirections on the law and serious defects in the review of the facts in the coroner's summing-up.

A pathologist and a toxicologist had stated that it was not possible to be sure whether Sig Calvi had "been rendered insensible by others" and then hanged, or hanged himself, said Mr Carman.

Equally important was evidence now available from Sig Calvi's widow and daughter about telephone calls he made to them very shortly before his death.

Those calls indicated fear for his life and for his family's safety; a desire to be reunited with them; an intention to communicate with his daughter again on the day following that on which he was found dead; and an indication that he was solving the financial problems of Banco Ambrosiano.

France to draw last $400m of credit

By Peter Montagnon in London

FRANCE has served notice that it will draw next week the remaining $400m of the $4bn 10-year Eurocredit it arranged last October to help defend the franc.

The speed with which the loan has been drawn has surprised many of the bankers who contributed to it. They were told originally that France expected to draw no more than $1.5bn to $2bn of the loan in the first six month, but the funds have all been taken in half that time.

France is not thought to have used all the money to support its currency, but the Treasury feels that it needs plenty of ammunition at the ready during the sensitive period before the municipal elections scheduled for March.

Only one third of the loan takes the form of a term loan. The rest is a standby credit which can be drawn on as needed and repaid at any time during its 10-year life.

Banks benefit from a commitment fee of ¼ per cent on undrawn portions and this substantially increases their overall return on the deal, so long as a large portion remains undrawn.

France is not, however, necessarily expected to keep the full amount of the loan drawn for the rest of its life, French bankers said yesterday. In future, banks may again be able to benefit from the commitment fee.

France is expected to be a very heavy borrower in international capital markets, at least for the first quarter of this year. Since Christmas, French entities have launched bonds worth nearly $1bn, but have not yet started to tap the Eurocredit market.

Official French figures for the country's foreign exchange reserves at the end of last year show a marked rise, writes David March in Paris. This was a result of France drawing large amounts of currencies from the Eurodollar credit and the recently arranged $2bn to $4bn loan from Saudi Arabia.

The French Government hopes that the declaration of a higher stock of currency ammunition will help dissuade speculation against the franc. Figures published by the Finance Ministry show currency holdings rose to FFr 39.71bn at end-December from FFr 19.81bn at end-November.

They differ significantly from weekly figures published by the Bank of France, whose freely available currency reserves were only FFr 11.51bn at December, rising FFr 12.95bn in the first week of January when a different valuation was used for converting dollars into francs.

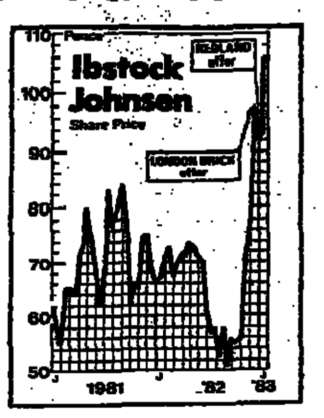
The difference is because the Finance Ministry statistics include the reserves of the Exchange Stabilisation Fund. This is a shadowy accounting mechanism, set up in 1936, into which recent drawings on the Eurodollar and Saudi loans have been paid.

The Bank of France has had to intervene sporadically for several weeks to prevent the franc from passing too far below its mid-point of 2.8339 against the D-Mark in the European Monetary System. The D-Mark in Paris yesterday was around FFr 2.8354.

THE LEX COLUMN

Building bricks at Redland

The gilt-edged market spent yesterday bobbing up and down, waiting for Mrs Thatcher to recover from jet-lag. Meanwhile, the full December banking figures confirmed that Sterling M3 growth remains fairly tame, while the broader M3 aggregate has shot ahead as UK residents have shifted into foreign – and predominately dollar-based – currency deposits.



Redland/Ibstock

Redland is developing quite a reputation as a dark horse. After popping up as the unexpected bidder for Cawoods less than a year ago, and mumbling last month that it was far too busy with its recent U.S. acquisition to think of another purchase, it has emerged from the shadows to spoil the happy marriage which London Brick and Ibstock Johnsen had been planning for themselves.

Redland's offer for Ibstock stood almost a quarter higher than London Brick's last night but, for the moment, the mathematics are fairly irrelevant. The Office of Fair Trading, which had already prepared its report on the earlier offer, will now need to withdraw to consider the Redland bid and the likelihood must be that both will be referred.

London Brick's offer has the more obvious competitive implications but a combination of Ibstock and Redland would produce a UK market share of perhaps a third in non-fletton facing bricks. Redland will argue that it is up against plenty of competition from London Brick's own Fletton product but this sounds like just the sort of issue which the OFT would like the Monopolies Commission to look into. Ibstock shares closed last night at 106p, a discount of almost 13 per cent to Redland's paper offer, so the market is evidently not expecting an easy ride.

Redland will also be required to marshal some arguments for its own shareholders. Acceptance of this offer would mean that the UK group's issued equity had swelled by roughly four fifths in less than a year. The acquisition might result in an uplift in net worth per share, even after write-offs in Ibstock, the rise in capital gearing from 32 to 35 per cent implied by the offer is containable.

But, in order to avoid earnings dilution in 1983-84, which is Redland's goal, Ibstock might need to produce around £5m at the pre-tax level. Sterling is moving its way, the UK business is in sound order, the U.S. is recovering strongly and the reorganisation of the Dutch brick business will bring benefits there. But, after losses of over £1½m pre-tax in the year just ended, that still looks a tall order.

British Telecom

Last year's record profits from BT were no flash in the pan. In the six months to September, the group's pre-tax profits jumped from £89m to £268m. The benefits from the tariff increases in November 1981 have still been coming through in this period, a boost which will be fading from now on as further rises have been forgone till at least next July. In compensation, volume is moving up healthily given the recessionary conditions, with 5½ per cent more calls handled in the six-month period.

The interest charge is coming down, but more important are the measures being taken to reduce the cost base, with staff and other savings likely to be worth £150m in terms of profits in the current year.

Retained earnings are not the only factor that has taken the urgency out of tariff rises. On the capital front, lower prices than expected and hold-ups may reduce spending by £175m this year. At the same time, the group has been making more efficient use of capital. So instead of the £2bn budget, capital expenditure should emerge at much the same level as last year's £1.5bn. This can be comfortably financed out of cash flow, with the help of a £100m run-down in working capital.

Under BT's idiosyncratic accounting conventions, stated pre-tax profits may emerge somewhere below £600m for the full year, against £458m. But on a historic cost basis the outcome should be well in excess of the £1bn or so made last time. And that is the figure that will be springing out of any offer document into market eyes.

At the same time, the new atmosphere of growth surrounding the business may encourage the Government to try for a rating in double figures. So, whereas last summer BT's valuation might have been in the region of £5bn or £6bn, now the sale capitalisation may be nearer £7bn or £8bn; a £3.5bn sell-off will require somewhat more sophisticated techniques than have been in evidence up to now.

Hard assets

A disdainful attitude to non-income-producing assets is beginning to look a trifle short-sighted, at least to judge by the renewed vigour of several markets in recent months. The gold price, of course, has been motoring away for the last six months, now with platinum, palladium and even copper in hot pursuit. This week De Beers reported that diamond sales were picking up, after three years in the doldrums, and jewellery stores like Ratners confirm a pick-up in activity over the last six weeks or so.

There is hard evidence of renewed interest in some of those "collectables" which were bid up to extravagant levels in the late 1970s, as investors sought out hedges against inflation, only to crunch equally dramatically when real interest rates turned sharply positive in the recession.

British Car Auctions reports that secondhand Rolls-Royces are coming under the hammer again, after a complete hiatus of four or five months. Stamps are now fetching catalogue prices, and Stanley Gibbons is again putting together portfolios for investors. In coins, the all-important U.S. market sprang back to something approaching life in December. Both Christies and Sotheby's report a pick-up in sales in the soggy £1,000 to £20,000 market.

It may be premature to conclude that investors are climbing back on the inflation-hedge bandwagon. Such a development usually emerges far later in the cycle, and in most countries real interest rates are still strongly positive.

A more probable explanation may be that the extremely high real interest rates seen from 1980 drove down the price of collectables to extraordinarily low levels. The relatively cheaper money seen since the Federal Reserve relaxed last summer has allowed prices to pick up to more "normal" levels.

Chrysler in finance move

Continued from Page 1

Chrysler's shares were among the strongest performers on the U.S. stock market last year and Mr Iacocca said the proposed transaction was the best way to take advantage of the opportunities presented by these gains. It would increase the book value of each share of common stock – which is currently a negative figure – by more than $10, and would be an important step towards restoring its credit rating and regaining access to the credit markets.

Chrysler reported a modest operating profit for the first nine months of this year, but a recent strike in Canada has made it doubtful whether it will be able to produce an operating profit for the year.

Delors to host summit

Continued from Page 1

started after the Versailles summit and due to be concluded next April.

In Paris last month, he added, Mr Shultz had underlined the dangers of the dollar becoming pushed too high by its status as a "refuge currency" – and spoken of the problems of too rapid a descent.

As evidence of growing European support for his stimulus plan, M Delors said the talks on the economic and monetary front at the EEC's Copenhagen summit had been "the most positive for three years."

M Delors visited Riyadh just before Christmas to discuss Saudi Arabian participation in the plans to boost the IMF's lending muscle – and also to sign a substantial Saudi credit to help shore up the franc.

The kingdom is believed to be ready to grant another loan to the IMF this spring under a plan agreed two years ago for it to lend SDR 4bn a year.

M Delors said the Saudis had also shown interest in becoming associated with the General Arrangements to Borrow as part of the plan to boost the size of the GAB and enlarge its range beyond the Group of 10. He gave no details, however.

Moscow 'set to discuss parity on N-warheads'

Continued from Page 1

George Bush, the U.S. Vice-President, will visit Europe to discuss reactions to proposals from Mr Andropov to the Soviet Union's arsenal of land-based systems targed on Europe to 162 – the number which matches French and British nuclear forces.

The question of missile stationing promises to dominate the West German election campaign. Against this background, Herr Vogel also revealed that Mr Andropov's offer implies the dismantling of some missiles. Which missiles were to be withdrawn eastwards and which broken up was to be decided in Geneva, he said.

He added that the Soviet Union recognised that the French and British systems cannot "be negotiated or brought in" at Geneva.

The conservative-liberal Government in Bonn has made clear that it considers the dismantling of Soviet missiles of high importance, because the SS-20, with a range of up to 5000 km, could reach Europe even from behind the Urals.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	11	52	Dubrovnik	S	14	57	Malaga	F	11	52	Salzburg	S	6	43
Akrotiri	F	13	55	Faro	S	15	59	Malta	S	15	59	Seoul	S	4	39
Algiers	S	18	64	Florence	Fg	7	45	Manila	S	33	91	Singapore	R	27	81
Amsterdam	R	5	41	Frankfurt	C	3	37	Miami	S	23	73	Stockholm	C	6	43
Athens	F	13	55	Funchal	-	—	—	Milan	-	—	—	Strasbourg	F	4	39
Bahrain	S	18	84	Geneva	Fg	3	37	Moscow	C	3	37	Sydney	S	23	73
Bangkok	S	31	88	Gibraltar	C	14	57	Munich	S	9	48	Taipei	C	17	63
Barcelona	F	13	55	Guernsey	F	7	45	Nairobi	-	—	—	Tangier	F	15	59
Beirut	S	15	59	Helsinki	C	3	37	Naples	C	9	48	Tehran	-	—	—
Belgrade	-	—	—	H. Kong	C	14	57	New Delhi	S	18	65	Tel Aviv	S	16	61
Berlin	S	5	41	Innsbruck	F	2	36	New York	S	6	43	Tenerife	S	19	66
Biarritz	F	14	57	Inverness	C	2	36	Nice	F	9	48	Tokyo	S	11	52
Blackpool	F	5	41	Istanbul	S	8	46	Oporto	-	—	—	Toronto	S	-11	12
Bordeaux	C	8	46	Jersey	C	7	45	Oslo	Sn	0	32	Tunis	S	11	52
Brussels	R	6	43	Jo'burg	C	33	91	Paris	R	6	43	Valencia	S	10	50
Budapest	C	3	37	Las Palmas	F	19	66	Prague	S	2	36	Venice	Fg	-5	23
B. Aires	C	32	89	Lima	S	28	82	Reykjavik	Sl	1	34	Vienna	Fg	-1	30
Cairo	C	17	63	Lisbon	C	9	48	Rio de J'o	C	36	97	Warsaw	S	4	39
Cape Town	-	—	—	Locarno	-	—	—	Rome	S	10	50	Zurich	Fg	3	37
Caracas	C	28	82	London	S	6	43								
Casablanca	C	15	59	Los Angeles	S	28	82								
Copenhagen	R	5	41	Luxembourg	C	3	37								
Corfu	C	15	59	Madrid	S	5	41								
Dublin	S	3	37	Majorca	F	14	57								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Snow Report

EUROPE

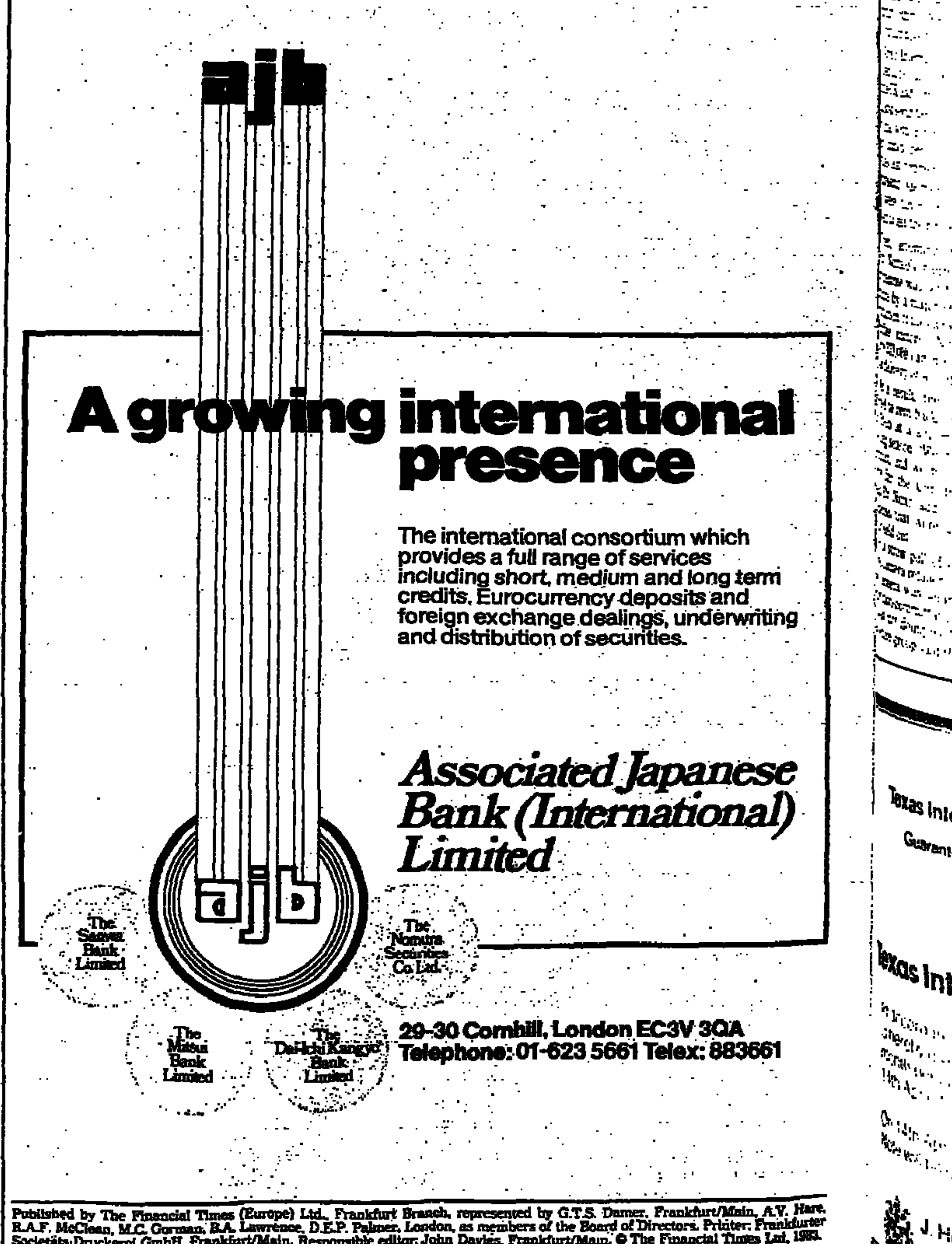
Anzere (Sw)	50–100 cm	Upper slopes still good.
Avoriaz (Fr)	63–107 cm	Icy on all slopes.
Isola (Fr)	80–120 cm	North facing upper slopes OK.
Grindelwald (Sw)	0– 30 cm	South facing slopes bare.
Hochtal (Aus)	20– 40 cm	Worn patches on lower slopes.
Seefeld (Aus)	7– 20 cm	Some fair skiing off-piste.
Tignes (Fr)	15– 50 cm	Some runs good.
Verbier (Sw)	10–110 cm	Upper skiing good.
Wengen (Sw)	5– 30 cm	Bare and icy patches.

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col.)	14– 25 ins	All lifts running. Most trails open.
Squaw Val (Cal.)	54–102 ins	Packed powder. All lifts open.
Stowe (Vt.)	10– 20 ins	Some new snow. Packed powder.

Figures indicate snow base at lower and top stations.



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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Friday January 14 1983

TEAMWORK IN CONSTRUCTION, ENGINEERING, DESIGN, ENERGY AND HOMES-WORLDWIDE.
TAYLOR WOODROW

How West German banks cut the Euromarket risk

STEWART FLEMING explains why German banks are making increasing use of interest rate swap funding techniques.

WEST GERMAN bankers have realised in the past three years – albeit belatedly in some cases – that to achieve consistent long-term profitability, a bank must spend as much time managing its sources of finance as it does finding lending opportunities.

This growing awareness of the importance of funding, or liability management, has helped to explain why several big West German (and Swiss banks) have made something of a recent splash in the Euromarkets with a relatively new form of financial instrument – a bond with an interest rate swap attached to it. Deutsche Bank, Commerzbank and Bayerische Vereinsbank are three banks to have used this device.

The latest such bond issue was announced earlier this week by Deutsche Bank, the largest and most profitable West German bank. To the surprise of some observers, Deutsche Bank, which normally goes out of its way to avoid attracting attention, has issued since August five interest rate swap Eurobonds and raised the handsome sum of $910m.

This week's issue was for $200m worth of bonds maturing in seven years with an interest rate coupon of 10½ per cent. Such haste on the part of Deutsche Bank suggests that it felt it had spotted a good opportunity to do something and was keen to carry it out.

Dr Robert Ehret, a member of the bank's management board and the person responsible for liability management, discussed the bank's interest rate swap funding programme late last year at a press conference about the results of the bank's Luxembourg subsidiary, a bank with assets then of DM 22.8bn ($9.66bn).

Dr Ehret made it clear that the bank was aiming to reduce the risks inherent in Euromarket business, which traditionally is based on medium-term floating-rate lending covered by short-term funding.

The interest rate swap achieves this objective. On the one hand with the issue of the bond the bank receives long-term funding which it can use to match its long-term loans. The maturity of its lending and its funding is thus matched.

However, this leaves the bank with a fixed-rate funding source matched against a floating-rate interest income. Such a mismatch is fine if you are confident the floating-rate interest you receive on your loans is always going to be higher than the fixed-rate interest on your loans.

But West German banks learned to their cost at the beginning of this decade that interest rate mismatching is a dangerous game. Several banks (not, incidentally, Deutsche Bank) were badly hurt when they found themselves paying more for deposits than they were earning on their loans.

The interest rate swap gets around this problem. The bank agrees that another company will pay the interest on the Eurobonds. This partner can be a company which otherwise might not have access to fixed-rate Eurobond market funding, or is not on such favourable terms as a highly-regarded bank such as Deutsche Bank, or it could be another foreign bank acting as an intermediary for one of its customers.

In either case, the issuing bank – in this instance Deutsche Bank – would reach an agreement that the partner will pay its fixed-rate interest on the Deutsche Bank Eurobond. The bank's risk is that sometime in the future the partner might not be able to meet its obligations, in which case the bank, as bond issuer, would have to take them on.

In return, the bank agrees to pay interest at a floating rate to its partner. The result is that it can now match the maturity of its funding and lending, and its terms, because it has floating-rate income on its loans and floating-rate interest expenses on part of its funding.

Deutsche Bank disclosed in October that it had covered about one-third of the rollover lending of its Luxembourg subsidiary, and the interest rate swap loans, aimed primarily at improving the structure of the Luxembourg subsidiary's balance sheet, had been covered by matching funding. The figure is higher today but the bank is not prepared to disclose how high. That is a question of commercial judgement.

A bank will decide to lean in the direction of either cautiously matching its funding and lending or taking a bigger mismatching risk in the hope of earning better margins depending on its assessment of interest rate trends, liquidity in the Euromarkets and the depth of the markets as a source of funds. It is important to be aware of the sort of risks taken in mismatching.

An improvement in the structure of the bank's balance sheet is not the only advantage from issuing such currency swap bonds. A highly rated bank can hope to make a margin between what it has to pay as a floating rate to its partner – this could be something under Libor – and what it earns on its floating rate lending – probably something over Libor. In addition, the bank is diversifying the sources of its funding into the Eurobond markets where it can tap a different class of investors from the primarily inter-bank Euromoney market.

With Opec's surpluses disappearing and international markets becoming volatile, international banks, especially those outside the U.S., are having to place greater emphasis on diversifying their funding sources, especially their sources of dollars.

At the same time they must ensure that their standing as borrowers assures them access when they want it to the various sources of funds.

GHH unit reports record earnings

By James Buchan in Bonn

FERROSTAAL, the West German steel and plant trading concern, recorded its best year ever in the 12 months up to last June, transferring DM 20.8m of its net earnings of DM 25.8m to its parent, the Gutehoffnungshütte group.

Dr Hans Singer, the Essen concern's chief executive, made clear, however, that last year's 18 per cent increase in sales to DM 4.12bn was made possible by factors that have now vanished.

Orders in hand now stood at DM 3bn, unchanged from last year, and incoming orders were only slightly above sales and worsening. As a result Dr Singer saw little prospect for growth. The concern's capital was raised last year by DM 20m to help it through what promises to be a difficult period.

In 1981-82, steel trading business at home was buoyant as customers hurried to stock up before higher prices came into force.

Bigger stake for Amro

By Walter Ellis in Amsterdam

AMRO (Amsterdam Rotterdam Bank) the second biggest Dutch commercial bank, has increased its stake in the Duitse Handels- und Privatbank, from 45 per cent to 93 per cent.

The German merchant bank has offices in Cologne, Berlin, Bonn Düsseldorf, Frankfurt, Hamburg, Mönchengladbach, Münster and Wuppertal. It employs about 300, and has assets, as of August 1981, of DM 40m ($16.9m).

Amro acquired its original stake in the German venture late in 1981. Last September, Amro opened Amrobank Asia, a merchant bank, in Singapore.

Kirsh Industries suffers sharp earnings setback at midway

BY JIM JONES IN JOHANNESBURG

KIRSH INDUSTRIES, the unquoted South African retailing wholesaling and insurance group suffered large profit falls among its quoted subsidiaries in the six months to October 31, 1982, despite the fact that their first half turnovers rose substantially.

Coki Corporation, which is 86 per cent owned by Metro Corporation and which owns 50 per cent of furniture retailer Russell, 30 per cent of discount chain Dion, 37 per cent of the retail and wholesale liquor group, Union Wine, and 23 per cent of the country's largest supermarket chain, Checkers, reported a 28.3 per cent drop in the first half pre-tax profit to R5.35m ($5.02m) from R7.46m in the six months to August 31, 1981.

First half sales rose to R311m from R239m. In the 16 months ended April 30, 1982, Coki's turnover was R551m and its pre-tax profit R18.56m.

As a result of a substantially unchanged tax bill which led to lower tax earnings and an increased number of shares in issue as a result of the acquisition of control of Checkers, Coki's first-half earnings per share fell to 5.13 cents from 12.15 cents and its interim dividend has been cut to 1.75 cents from 5 cents.

The previous 16-month period resulted in earnings of 30.25 cents a share and a total dividend of 11 cents. The figures do not take into account any profit share from Checkers as less than 30 per cent of its equity is owned.

Management blames high interest rates and reduced margins, and store opening costs for the profit deterioration.

A director of Metro Corporation has indicated unofficially that the Checkers chain is suffering operating losses averaging about R1m a month, but Mr Nathan Kirsh, the chairman, says he believes the supermarket chain can be restored to profitability.

Metro Corporation, which owns 96 per cent of the wholesaler, Metcash and 86 per cent of Coki, increased its first-half turnover to R749m in the half year to October 31, 1982, from R569m in the six months ending August 31, 1981.

First half pre-tax profits, however, fell from R16.17m to R11.1m. In the 14 months to April 30, 1982, Metro's turnover was R1.38bn and its pre-tax profit was R42.62m.

Lambsdorff cautious about Thomson plans

By Stewart Fleming in Frankfurt

COUNT OTTO Lambsdorff, the West German Economics Minister, and the man who is expected to have to take the final decision on the planned takeover of Grundig of West Germany by Thomson-Brandt, the nationalised French electronics concern, yesterday expressed reservations about the planned deal.

Count Lambsdorff said that it gave him pause for thought that a French company was planning an acquisition not out of its own financial resources but rather with funds from the State or state owned banks.

The Cartel Office is widely expected to oppose the plan for Thomson-Brandt to take 75.5 per cent of Grundig, in which case Count Lambsdorff would have to make a decision.

Higher interest income boosts J. P. Morgan

BY OUR NEW YORK STAFF

J. P. MORGAN, parent of the fifth largest U.S. bank, became the second major U.S. bank holding company to report higher fourth-quarter and full-year earnings before security transactions.

The bank holding company reported fourth-quarter income before security transactions of $129.4m, or $3.10 a share in the fourth quarter, compared with $123.3m, or $2.98 a share in the same period last year.

Net income was $114.9m, or $2.73 a share, down 2.4 per cent from $117.7m or $2.83 a share, in the same period last year.

For the full year, income before securities transactions was $441.7m, or $10.7 a share, compared with $381.1m or $9.24 a share in 1981.

Net earnings after securities transactions for the year were $394.2m, or $9.5 a share, compared with $354.3m, or $8.59 a share, for the year earlier.

On Tuesday, Mellon National Corporation reported higher fourth-quarter and full-year earnings.

J. P. Morgan attributed its higher earnings to a rise in net interest income. The bank said that non-interest income for the year was slightly ahead but the provision for possible credit losses was increased considerably, reflecting concern about the effects of the worldwide recession on the financial condition of borrowers in the U.S. and overseas.

The bank said that the provision for possible credit losses in 1982 was $114m, more than double the $51.2m provision in 1981. Net charge-offs in 1982 were $69.2m after recoveries of $12.2m, compared to net recoveries of $13.3m in 1981 after charge-offs of $9.9m.

Irving Bank profits drop 15% in year

By Paul Taylor in New York

IRVING BANK Corp, the parent company of the 16th largest bank in the U.S. yesterday became the first major bank to report lower fourth quarter and full year earnings.

In contrast Chemical Bank New York Corporation, holding company of the seventh largest U.S. bank, joined J P Morgan and Mellon Bank in reporting improved fourth quarter and full year earnings before securities transactions.

Irving, which has suffered from thinner lending margins, reported its first earnings decline for the full year since 1976.

Fourth quarter net operating earnings fell by 7 per cent to $20.711m or $2.28 a share compared with $22.25m or $2.53 a share in the same quarter in 1981.

Net earnings after securities transactions fell by 6 per cent in the quarter to $20.86m or $2.29 a share from $22.2m or $2.52 a share.

For the year, net operating earnings dropped by 14.9 per cent to $82.6m or $9.31 a share from $97.1m or $11.03 and final net earnings after sercurities transactions droppped by 16.5 per cent to $81.0m or $9.13 a share from $97.0m or $11.02 a share.

At the year-end the bank's allowance for loan losses totalled $141m or 1.4 per cent of loans compared with $129.9m or 1.29 per cent of loans at the end of 1981. The full year loan loss provision amounted to $39.9m for 1982 compared with $43m in 1981 and net charge-offs remained the same at $28.8m.

The bank's non performing loans increased to $206.5m or 2.04 per cent of loans compared with $189.4m or 1.87 per cent of loans at the end of 1982.

Chemical Bank however reported record fourth quarter and full year net operating earnings.

MIXED RESPONSE TO 3-D CAMERA IN U.S.

Nimslo sees brighter picture for 1983

BY RICHARD LAMBERT IN NEW YORK

AFTER YEARS of development work, the 3-dimensional camera produced by Nimslo of Atlanta has got off to a mixed start in the U.S. market. Some retailers say they are very happy with sales of the new product, others describe it as an over-priced novelty.

Dr Jerry Nims with his three-dimensional camera

Nimslo International, which has raised large sums of equity capital in the UK and is traded on London's unlisted securities market, has had to cope with big problems during the launch period. In the early stages last summer, a log jam on its processing side meant that customers were having to wait several weeks to get their film developed.

Then, according to Dr Jerry Nims, Nimslo's chairman, the whole programme was set back about six months by a major shortfall in the production of the camera at Timex's Dundee factory. Nimslo ordered some 230,000 cameras, he says, but took delivery of less than 50,000.

As a result, the company was forced to rein back its promotional build-up at a key moment in the selling season. "We didn't have the product, and we missed our audience for the Christmas market," said Dr Nims, adding that all the cameras that were available have been sold out.

In a straw poll of eight big New York camera retailers, two said that the camera was selling well, three were non-committal and three said it was not doing well. In Chicago, one store group said that sales were going "fairly well"; another had decided not to stock the camera.

In Florida, where test marketing of the product started last spring, one store said that sales had dropped back after a fair start and were now "very poor," but another said it was "very pleased" with the camera. A big store in Dallas also commented favourably on Nimslo's sales.

Despite the reported shortfall in supplies, most retailers said they had adequate stocks of the camera. The main difference between success and failure seems to lie in the degree of enthusiasm on the part of individual store managers for the camera. Those which reported good sales had generally taken steps to promote it themselves, often by displaying their own 3-D snaps within the stores.

One Chicago group said that Nimslo would have to put a lot more money into advertising and promoting the 3-D idea. The level of public awareness of the system was very low, it added.

Another complaint was that the camera was too expensive. A broad spread of prices is currently on offer, ranging from just under $180 in one New York discount store to over $250 for the same camera in West Virginia. The benchmark price is about $200. Retailers said that Nimslo was going to push through a rebate of $50 a camera later this month which they thought would have a good impact on sales.

The contract with Timex in Dundee has now been dropped, and replaced by an arrangement with Sunpak of Japan, the first of these cameras has already been delivered into the market, and Dr Nims said they are better made and cost less to produce than the Dundee versions. Later this year, Nimslo will also be taking the product from Ricoh of Japan, which will be producing an as yet unspecified new version of the camera.

"If it hadn't been for the Japanese," says Dr Nims, "we could have been in the soup." But as it is, he now believes that the company is heading for a "superb 1983," with all the product it needs, and the turnround time on film processing cut back to just a few days.

Wall Street analysts remain sceptical. Mr Stanley Morten of Wertheim believes there is just not enough demand in the market place to support Nimslo's ambitions. A review in the magazine "Consumer reports" last November concluded that "given its limitations, the Nimslo wouldn't serve well as a photographer's only camera. It's an intriguing but expensive novelty."

Dr Nims remains full of confidence. His camera has yet to be introduced on the West coast of the U.S. and its European launch is expected in a few months time. But although he has got a lot further than some of his critics believed possible, he still has a lot to prove.

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IC Industries
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December, 1982

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Companies and Markets

INTL. COMPANIES & FINANCE

Japan may lift ban on 'zero' bonds

BY YOKO SHIBATA IN TOKYO

JAPAN'S Finance Ministry appears on the verge of lifting its ban on the domestic sale of zero-coupon bonds, the foreign currency denominated bonds bearing no interest but sold at deeply discounted prices.

The major reason for Japan halting the sale of bonds last March was to try to stem the outflow of capital which at that time was considered to be contributing to a weakening of the yen. The recent steady tone of the national currency against the dollar has therefore been one factor leading to the re-opening of the zero-coupon question.

Before last March, Japanese individual investors had flocked to the zero-coupon issues for two reasons. First, although zero-coupon bonds maturing in five to 12 years paid no interest they offered sizeable capital gains when the bonds are redeemed at full face value at maturity. Secondly, the bonds provided the advantage of a tax shelter from the "green card" saver identification system, which had been scheduled to go into effect on January 1, 1984.

Under the current Japanese tax system, capital gains from the sales of securities including zero-coupon bonds are free from income tax. Owing partly to Japanese securities houses' practice of soliciting applicants from rich individual investors for the purchase of zero-coupon bonds as a tax shelter, sales of bonds grew considerably around August 1981.

Bond sales peaked in February, 1982 at $780m with sales to Japanese residents totalling $1.2bn by March 3, 1982, when the Finance Ministry called a halt to sales of the bonds.

The abrupt halt of the zero-coupon bond sales to Japanese residents had a clear and depressing impact on the U.S. and Eurodollar zero-coupon bond markets, which had been placing such bonds in succession in order to meet the growing demand from Japanese investors.

However, the circumstances affecting the zero-coupon bonds have now undergone a marked change.

Purchases of zero-coupon bonds by Japanese investors could well resume soon. Finance Ministry officials seem about to lift the ban on the sale of the bonds because they are no longer worried over the possible effects on capital outflow. They are also under political pressure to put into cold storage the "green card" system for reducing tax avoidance on investment incomes

The ruling Liberal-Democratic Party's research commission on the tax system decided yesterday to ask the Government to introduce a Bill in the Diet (Parliament) early in February providing for a three-year delay in the introduction of the green card system.

The "green card" system is designed to identify savers so as to prevent the abuse of the current tax exemption for small savings. Japanese large asset holders are known to be using the exemption system by registering their savings under many different names.

Ahead of the implementation of the "green card" system, due on January 1, 1984, and the start of applications for the cards originally scheduled to start this month, Japanese large asset holders had been scrambling to protect themselves by seeking tax-haven investment instruments including zero-coupon bonds.

However, in view of the strong opposition to the introduction of the "green card" system within the LDP, the Government has now tentatively introduced a measure to freeze the card by revising an ordinance relating to income tax. The ruling party failed to get a Bill for a five-year postponement in the system's enforcement enacted during the last session of the Diet.

This suggests that another reason for suspending the zero-coupon bond sales has vanished

Carrian sheds Hong Kong investment trust stake

BY ROBERT COTTRELL IN HONG KONG

JF SPECIAL HOLDINGS (JFSH), a Hong Kong investment trust, is finalising details of a restructuring exercise, following a shake-out of major shareholders, including Carrian Investments.

Jardine Fleming, the merchant bank with which JFSH is associated, announced last week that 45.7m shares or 45.7 per cent of JFSH, had changed hands in a private placing. While buyers and sellers have not officially been named, it is generally believed that Carrian Investments, the troubled property group, was the major seller. It formerly held 34m JFSH shares.

The restructuring of the 15-month-old JFSH is believed to involve First Pacific, the fast-growing Hong Kong finance group which is backed by the Liem family of Indonesia.

JFSH has never published its investment portfolio, but it is thought to comprise for the most part second-line Hong Kong stocks, plus a significant residue of liquidity. The trust has been heavily discounted in Hong Kong's depressed stock market. While its paid-up equity totals *HK$200m (U.S.$30.7m)*, market capitalisation has lately been around HK$75m. The shares have been suspended since January 5.

Sandoz to acquire dyes unit of Martin Marietta

BY JOHN WICKS IN ZURICH

SANDOZ, the Swiss chemical concern, has agreed in principle to acquire the Sodyeco division of Martin Marietta of the U.S. A definitive contract for the deal is expected by the end of this month. The price has not been disclosed.

Sodyeco, which is based in Charlotte, North Carolina, with subsidiaries in Brazil and Mexico, is a producer of liquid sulphur dyes for cotton, dispersed dyes for synthetic fibres and organic chemicals. With a payroll of about 600, it has annual sales in excess of SwFr 100m ($51.5m).

Sandoz has long been one of the major international manufacturers of dyestuffs. In 1981, the latest year for which full figures are known, the dyes division recorded turnover of SwFr 1.38bn. For the first half of last year, sales were down by 4 per cent to SwFr 676m, but this was the result of the strengthening of the Swiss franc. Actual sales volume rose over the corresponding period of 1981.

Sandoz points to the acquisition of Sodyeco as proof that it intends not only to remain in the dyestuffs sector but to expand its position and carry out new investments. The company earlier acquired S. A. Cardoner, a Spanish dye-works.

Sandoz is already an important dyes producer in the U.S.

Irish funds show strong growth over six months

BY BRENDAN KEENAN IN DUBLIN

SOME IRISH unit-linked funds achieved returns of more than 30 per cent in the second half of 1982. However, a survey of 14 such funds shows that, over the past three years, none managed to keep up with Irish inflation.

The survey is the first of its kind to be published by Pension and Investment Consultants (PIC), which is 25 per cent owned by Willis Faber, the UK company. In all, 32 funds were included in the survey, reflecting the rapid growth of such funds in Ireland.

The more spectacular returns last year came from the new funds, 11 of which were established in 1982. PIC believes *I£50m ($70m)* of new savings were invested in such funds during the year. Total investments were I£426m.

The best performance last year was by Abbey Life whose fixed interest fund showed a 33 per cent growth. Investment and gilt funds topped the charts, with property funds languishing, reflecting current Irish economic conditions.

Most of the funds have been established in the past three years and, during that period, Insurance Corporation Life's "Grobond" funds did best, taking the top four places. They showed annual growth of between 17.1 per cent and 17.3 per cent. Irish inflation in the same period averaged 17.9 per cent per annum.

Malayan Banking Berhad

US $60,000,000

Negotiable Floating Rate Dollar
Certificates of Deposit due 1987 Tranche B

In accordance with the provisions of the Certificates, notice is hereby given that the rate of interest for the period from 17th January 1983 to 18th April 1983 has been established at $9\frac{1}{8}$ per cent per annum.

The interest payment date will be 18th April 1983. Payment which will amount to US $5,766.49 per Certificate, will be made against the relative Certificate.

Agent Bank
Bank of America International Limited

Sharp rise in earnings at Bahrain bank

By Our Bahrain Correspondent

NATIONAL BANK of Bahrain, the country's leading commerical bank, reports a 68 per cent increase in ordinary income and substantial earnings from local share issues in 1982, and proposes to pay a 53.3 per cent dividend to shareholders.

The bank's management said that unlike other Gulf states, Bahrain had not felt the pinch of recession, and the volume of business had increased steadily.

Although National Bank of Bahrain bas played a more active role in international syndications, achieving tenth place in the Arab bank league tables, it still does 90 per cent of its business in the Gulf region, with 60 per cent in Bahrain.

Ordinary income grew from Bd6.8m ($18m) to Bd11.4m, resulting from increased money market activities in the 18-month-old "special status" offshore banking unit, and increased lending mostly in Bahrain.

There was also an increase in commission income, from letters of credit and guarantees issued, plus loan syndication business. A large proportion of letters of credit and guarantee business came from the Government, which is in the second year of a major four-year development programme.

The dividend will be in the form of a 20 per cent cash bonus and a 33.3 per cent bonus share issue which will increase the bank's capital from Bd21m to Bd28m.

statoil
Den norske stats oljeselskap a.s

NOK 600,000,000
14% Term Loan 1982/1994
(Interest Rate to be Adjusted 1986 and 1990)

Managed by

Union Bank of Norway Ltd.
Aust-Agder Sparebank
Gudbrandsdal Sparebank
Sparebanken Buskerud
Sparebanken Hedmark
Sparebanken Nord

Sparebanken Oslo Akershus
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Sparebanken Vestfold
Tromsø Sparebank
Trondhjems og Strindens Sparebank

Provided by

Aalesunds Sparebank
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Hetland Sparebank
Kvinesdal Sparebank
Nio Sparebank

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Sparebanken Fredrikstad
Sparebanken Hedmark
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Spareskillingsbanken, Tr.heim
Totens Sparebank
Tromsø Sparebank
Trondhjems og Strindens Sparebank
Union Bank of Norway Ltd.

Members of Union Bank of Norway's Underwriting Pool

Agent

Union Bank of Norway Ltd.
Domestic name: Fellesbanken a.s

BANQUE DE L'INDOCHINE ET DE SUEZ
US$40,000,000 Floating Rate Notes 1979-1989
For the six months
13th January 1983 to 13th July 1983
the Notes will carry an interest rate of $9\frac{3}{16}$% per annum and Coupon Amount of US$46.19.
Listed on the Luxembourg Stock Exchange
By: Bankers Trust Company, London
Reference Agent

iberpistas
Iberica de autopistas, s.a. concesionaria del estado
U.S.$18,000,000 Serial Floating Rate Mortgage Notes Due 1986
For the six month period January 13th, 1983 to July 13th, 1983 the Notes will bear an interest rate of $9\frac{11}{16}$% and a coupon amount of U.S.$487.07 payable on July 13th, 1983.
Bankers Trust Company, London
Principal Paying Agent

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for January 13.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 88/97	150	110¾	111¼	0	+0½	10.81
Amax O/S Fin 14¼ 89	75	108¾	109½	0	+1¾	12.11
Amro Bank 13 89	200	106½	106¾	0	+0½	11.57
BHP Finance 14⅜ 89	150	108½	109	0	+0⅞	12.62
Bk Montreal 14½ 87	100	107⅞	108⅜	0	+1	11.85
British Col Hyd 14⅜ 89	200	111⅞	112½	+0⅞	+1⅛	11.93
British Col Hyd 15¼ 92	150	116⅛	116⅝	+0½	+1⅞	12.19
Canada 14⅜ 87	750	111½	111⅝	+0⅛	+0⅞	10.94
Canadair Ltd 12½ 89	175	105⅝	106⅛	+0⅞	+1⅛	11.21
Canadian Wheat 11¼ 90	50	99¼	99¾	0	+0⅝	11.34
Can Pac Sec 14⅝ 92	75	108½	108⅞	+0⅜	+0⅞	12.99
Can Pac Sec 15 89	75	107⅛	107⅝	+0⅝	+1⅛	13.17
Citicorp O/S 15 84/92	100	105½	106	+0⅝	+0⅛	9.79
Coca Cola Int 11⅜ 89	100	106⅞	107⅜	0	+0⅞	10.21
Credit Suisse 10½ 89	100	101⅝	102⅛	+0⅛	+0¼	10.10
Deutsche Bk Fin 14¼ 89	300	110¼	110¾	+0¼	+1⅞	11.93
Du Pont 11¼ 95	150	101¼	101¾	+0⅞	+0⅛	11.02
Du Pont 14½ 89 WW	200	107⅞	108⅜	+0⅛	+0⅞	12.22
E.D.C. 10⅜ 88	100	99⅛	99⅝	+0¼	+0½	10.52
E.D.F. 12¾ 87	150	103⅜	103⅞	+0⅛	+0⅝	11.69
E.E.C. 11½ 95	200	98⅛	98⅝	0	+0⅛	11.76
E.I.B. 15½ 92	100	112⅝	113⅛	+0¼	+1⅜	13.02
Eksportfinans 14½ 89	50	107⅝	108⅛	+0⅝	+1⅛	12.57
Exp Dev Corp 11⅜ 87	100	102⅝	103⅛	+0¼	+0⅞	10.89
Forsmarks 13⅜ 92	75	104¼	104¾	0	+0⅝	12.66
Gaz de France 12¼ 93	175	20⅞	21⅜	+0⅝	+1⅞	12.03
Gen Elec Credit 12 89	100	107	107½	+0⅛	+0⅞	10.42
Getty Oil Int 14 89	125	109½	110	+0⅛	+1¼	11.69
GMAC O/S Fin 15 87	100	109⅝	109⅞	+0⅛	+1⅛	11.97
GMAC O/S Fin 15 89	125	110¼	110⅝	+0⅛	+1⅛	12.40
Gulf Oil Fin 12¼ 87	100	105⅝	106⅛	-0⅛	+1⅛	10.57
IBM World Trade 12⅜ 87	200	109½	110	+0⅛	+2	10.50
Lloyds Euro 11½ 94	100	21⅞	21⅞	-0¼	+0⅝	12.04
Manitoba Prov 11⅜ 89	125	105¼	105⅝	+0½	+1⅛	10.55
Manitoba Prov 13⅜ 89	100	109½	110	+0¼	+2	11.55
Midland Int Fin 11½ 92	150	100	100½	-0⅛	+0½	11.45
Nat West Fin 11⅜ 92	150	101¼	101⅝	+0⅛	+0⅝	11.47
New Brunswick 15¼ 87	75	111⅜	111⅞	+0⅜	+1⅛	11.75
Newfoundland 15½ 90	75	111⅝	112⅛	+0¼	+1½	12.88
Nova Scotia Prv 15¼ 89	75	113⅝	114⅛	+0¼	+1⅜	11.97
Ontario Hydro 12⅝ 92	200	107½	108	+0½	+1⅛	11.37
Ontario Hydro 14⅜ 89	150	112⅝	113⅛	+0⅝	+2⅛	11.65
Ontario Hydro 15 92	150	115⅝	116⅛	+0⅛	+1⅞	12.03
Prudential O/S 12⅜ 87	150	106½	107	0	+0⅝	10.63
Quebec Hydro 11½ 92 D	100	98⅝	99	-0⅛	+0⅛	11.69
R. J. Reynolds 12⅜ 89	100	106	106½	0	+1	11.34
Saskatchewan Prov 15 92	150	115⅛	115⅝	+0⅝	+2⅞	12.16
Shell Canada 14⅜ 92	125	108½	109	+0¼	+0½	12.69
Superior O/S Fin 14 89	125	108	108½	+0⅛	+0⅞	12.33
Swed Exp Credit 14⅜ 90	100	109	109½	+0½	+0⅞	12.50
Swiss Bk Corp 10⅜ 90	125	100⅛	100⅝	+0⅝	+0⅝	10.17
U.B.S 10⅜ 87	200	104	104½	+0⅛	+0½	9.69
U.B.S. 11 88	150	104⅛	104⅝	0	+0⅞	10.07
Walt Disney Pro 12½ 89	75	105⅝	106⅛	-0⅛	+0⅝	11.00
World Bank 10⅜ 90	200	99	99½	+0⅛	+0½	11.03
World Bank 11⅛ 98	100	97⅞	98⅜	0	+0½	11.25
World Bank 13¼ 87	300	106⅞	107⅜	+0⅛	+0⅞	11.18

Av. price changes: on day +⅛, on week +⅞

DEUTSCHE MARK STRAIGHTS

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

SWISS FRANC STRAIGHTS

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

YEN STRAIGHTS

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						
New Zealand 8⅞ 87	15	100	101	0	-0⅛	8.77
World Bank 8⅞ 92	20	106	106⅝	-0⅛	0	7.38

Av. price changes: on day 0, on week +¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Brit Col Tel 17¼ 88 C$	50†	113½	114	0	0	13.54
Can Utilities 17 87 C$	35†	111¼	111⅝	0	-2	13.41
Gaz de France 15 89 C$	75†	108⅝	109⅛	0	+0½	13.45
Gaz Metro 17¼ 90 C$	20†	109	110	0	0	15.04
O.K.B. 16¼ 88 C$	63†	111⅜	112⅛	0	+1⅛	12.97
Quebec Hydro 14 92 C$	60†	107½	108	0	-0⅛	12.56
Univ Quebec 16⅜ 87 C$	17†	104	104½	0	0	15.15
E.I.B. 12⅜ 90 Ecu	60	105⅝	106⅛	-0½	+0½	11.50
Amfas 9½ 87 Fl	60	106	106½	+0⅛	-0¼	7.90
Amro Bank 8½ 87 Fl	100	107⅛	107⅝	-0⅜	-0⅞	7.65
Neder Middk 9¼ 87 Fl	100	106⅝	107⅛	-0¼	-0⅛	7.52
Nedlloyd Grp 10¼ 87 Fl	75	108	108½	-0⅜	-1	8.11
Van Lanschot 10¼ 87 Fl	50	108⅝	109⅛	0	-1⅛	7.89
World Bank 10 87 Fl	100	108⅛	108⅝	0	-0⅛	7.65
O.K.B. 14 88 FF	400	97⅜	98⅜	0	+0⅝	14.71
Solvay & Cie 14⅜ 88 FF	200	97½	98½	+0½	+0⅛	15.60
B.F.C.E. 14½ 87 £	30	104¼	105¼	-0⅛	-2¼	12.36
B.N.P. 13½ 91 £	15	100¼	101¼	-0⅛	-1½	13.31
C.E.C.A. 13½ 88 £	20	100⅛	101⅛	-0⅜	-2¼	13.39
C.N.T. 12½ 89 £	20	97½	98½	-0¼	-2⅜	12.83
Fin For Ind 12¼ 88 £	30	99	100	+0⅛	-2⅞	12.34
Fin Mar Oranj 12⅝ 92 £	30	21⅝	22⅝	+0⅝	-1⅛	13.77
Gen Elec Co 12½ 89 £	50	101¼	102¼	0	-1	12.05
Hiram Walker 14⅛ 86 £	25	104⅝	105⅝	+1⅞	-0½	12.28
Mort Bk Fin 11⅜ 89 £	15	22	23	+0⅛	-1½	13.60
Norsk Hydro 14½ 87 £	30	104½	105½	-0⅛	-1⅜	12.80
Quebec 14½ 89 £	30	103⅛	104⅛	+0¼	-1¼	13.41
Quebec 15½ 87 £	35	106⅝	107⅝	+0⅝	-1⅛	13.22
S.D.R. France 15½ 92 £	30	102⅞	103⅞	-0⅝	-2⅜	14.77
S.N.C.F. 11½ 89 £	30	17⅜	18⅝	-1⅛	-3	13.18
Tenneco Int 14⅜ 87 £	30	103	104	0	-1	13.60
World Bank 11⅜ 91 £	75	23	24	+0⅛	-2	12.76
Eurofima 10½ 87 LuxFr	500	99⅝	100⅝	-0⅛	-0⅛	10.44
Europarat 12½ 92 LuxFr	500	104⅝	105⅝	0	0	11.58

FLOATING RATE NOTES

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
[illegible]						

CONVERTIBLE BONDS

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
[illegible]						

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EUROBONDS

Issues worth $625m launched

BY ALAN FRIEDMAN IN LONDON

THE EURODOLLAR bond market began suffering from indigestion last night after a day that saw six new bond issues totalling $625m, bringing the week's new issue tally up to $2.4bn.

Both the primary and secondary markets continue to boom; prices of fixed-interest dollar bonds were marked nearly ½ point higher yesterday for the third consecutive day.

In the primary market new issues continue to be launched at an extraordinary pace. The factors behind the flood include generally optimistic expectations about the decline of interest rates, hefty reflows for institutional investors such as insurance companies and the ability of many U.S. companies to raise funds more cheaply in Europe than in the States.

Another important factor behind this week's new issue rush is a clearly discernible appetite for Eurodollar bonds from Japan. In particular, partly-paid issues are attractive to Japanese investors: this paper represents a small initial investment, it offers the potential of a gain if the Yen appreciates against the dollar by the time the balance is due (usually next summer) so that the total cost of the bonds will be cheaper, and finally it provides a high yield relative to Yen interest rates.

As a result, Japanese securities houses in the Euromarket are busy lining up deals where they can jointly lead-manage new issues. Not only is there prestige for these Japanese houses, but they are attracted also by the payment of full commissions up-front even though they underwrite only the partly-paid portion of the bond issue.

Among yesterday's new issues was a $75m five-year issue for Britain's Finance for Industry (FFI), led by S.G. Warburg and Nomura Securities. The coupon is 11 per cent at par and only 20 per cent is payable now; the balance is due next August. It is understood that around $30m of this issue has been preplaced in Japan and more than half of the proceeds are being swapped into sterling.

Amro Bank is seeking $175m ($125m now and the rest on tap) with 10¾ per cent 1990 bonds requiring a 20 per cent partial payment. The bank is lead-managing its own issue along with Nikko Securities (fulfilling the Japanese placement role) and Manufacturers Hanover (arranging an interest rate swap so that Amro obtains floating rate debt and a counterparty takes over the fixed-interest coupon).

Among the new issues seemingly left languishing last night was a new $75m seven-year deal for I.C. Industries. Although the coupon is 12 per cent, much higher than the norm, Orion Royal, the lead-manager, is understood to have had difficulty in forming a co-management group. Several banks reported having declined participation in the deal.

Three other new issues launched yesterday were a $150m 10½ per cent 1991 bond for Sears Roebuck, the U.S. retail giant. Dean Witter Reynolds, Goldman Sachs and Daiwa Securities are lead-managers of the deal, which involves a 20 per cent payment now and the balance next August.

Volvo is raising $100m through an 11 per cent 5½ year issue led by Merrill Lynch and Yamaichi Securities. Another partly-paid deal, 25 per cent is due now and the balance next August.

Norway's Eksportfinans launched the cheapest partly-paid deal yet – only 10 per cent down now for investors buying the seven-year 9¾ per cent bonds. Deutsche Bank and Daiwa Securities are teaming up to lead this issue which calls for the 90 per cent balance to be paid next August.

In Switzerland, where foreign bond prices were slightly up, Japan's Export-Import Bank is offering SwFr 100m of 10-year 5¼ per cent bonds through Swiss Bank Corporation. The paper, bearing a Japanese Government guarantee, carries a very low coupon and is expected to sell well.

In West Germany, where secondary prices were weighed down by an excess of new paper, the DM 60m five-year issue for Jusco, the Japanese retailer, has been increased to DM 81m and the coupon indication is down to 5¾ per cent from 6¼ per cent after strong demand. The Jusco paper provides warrants to purchase equity in the company.

● Sweden's new £50m bulldog bond has been undersubscribed: only 81 per cent of the 27-year issue was covered by subscriptions. Underwriters have had to absorb more than £9m of the issue. The 13½ per cent bond was priced at 96.55 to yield around 14 per cent, about 225 basis points over an equivalent Treasury issue.

WEEKLY U.S. BOND YIELDS (%)

	Jan 12	Jan 5	1982-83 High	1982-83 Low
Composite Corp. AAA	11.18	11.20	15.18	10.33
Composite Corp. AA	11.51	11.55	15.63	11.18
Government:				
Long-term	10.41	10.43	14.32	10.18
Intermediate	9.95	10.06	14.56	9.91
Short-term	9.27	9.46	14.57	9.27
Municipal	9.28	9.42	13.34	9.16
Industrials AAA	10.89	10.91	14.76	10.55
Industrials AA	11.34	11.37	15.13	10.46
Utilities AAA	11.48	11.49	15.59	11.11
Utilities AA	11.67	11.74	16.13	11.39
Preferred Stocks	11.16	11.41	13.35	10.71

Source: Standard & Poor's

Dutch state loan likely to cost less

By Walter Ellis in Amsterdam

THE NEXT Dutch state loan is likely to carry an interest rate of little over 7 per cent, following the unexpected success this week of the most recent offering, set at 7½ per cent. The decline in the coupon would be in line with the continuing drop in interest rates; the Netherlands Central Bank yesterday cut its discount rate by a further ½ per cent to 4½ per cent.

Interest in the 7½ per cent issue proved to be keen, enabling the Dutch treasury to raise a record total of Fl 5bn ($1.9bn) within a matter of a few weeks. The loan, priced at 100.5, due 1987 – 1990, offers an effective yield of 7.385 per cent.

Counting in the proceeds of an earlier issue, priced at 7¾ per cent, which raised Fl 1.3bn, a total of Fl 6.3bn of this year's borrowing requirement was funded in the first two weeks of January.

Faced with a widening gap between its tax revenues and its budget needs, the Dutch treasury has turned increasingly to the bond market in recent years. In 1982, it raised around Fl 35bn ($13.5bn), or just over 10 per cent of gross domestic product, through the capital markets, and it is expected to require even more this year in spite of a long-term commitment to reduce the borrowing requirement.

Both ministers and the central bank have expressed strong concern that the public sector's needs, accounting for around 70 per of the funds raised through the public bond markets, have been squeezing out the capital needs of private industry.

BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of Building Society Rates on offer to the public

For further advertising details please ring:

01-248 8000 extn. 3606

Kingdom of Sweden

£50,000,000

13½ per cent. Loan Stock 2010

Issue price £96.550 per cent.

Applications for £40,658,700 nominal amount of the above Stock have been received and such applications have been accepted and will be allotted in full.

The first interest payment, payable on 22nd July, 1983, will amount to £2.1459 per £100 nominal amount of Stock (less, where applicable, United Kingdom income tax).

The Stock has been admitted to the Official List of The Stock Exchange for quotation in the Gilt-edged market. Dealings will begin today, Friday, 14th January, 1983, for deferred settlement on Thursday, 20th January, 1983.

S.G. Warburg & Co. Ltd. Morgan Grenfell & Co. Limited

on behalf of

Kingdom of Sweden

14th January, 1983

This announcement complies with the requirements of the Council of The Stock Exchange in London. It does not constitute an offer of, or invitation to subscribe for or to purchase, any securities.

U.S. $100,000,000

Time-Life Overseas Finance Corporation N.V.

(Incorporated under the laws of the Netherlands Antilles)

10¾% Guaranteed Notes due January 26, 1990

Unconditionally guaranteed as to payment of principal, premium, if any, and interest by

Time Incorporated

(Incorporated under the laws of the State of New York)

This issue has been managed by:

Salomon Brothers International — Morgan Guaranty Ltd

Amro International Limited — Banque Nationale de Paris

Credit Suisse First Boston Limited — Deutsche Bank Aktiengesellschaft

Merrill Lynch International & Co. — Nomura International Limited

Société Générale de Banque S.A. — Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited — S. G. Warburg & Co. Ltd.

The Notes are being issued at 100 per cent, 25 per cent of which will be payable on January 26, 1983 and 75 per cent of which will be payable on July 26, 1983. The Notes have been admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the temporary Global Note.

Interest will be payable annually in arrears on January 26, commencing January 26, 1984.

Particulars of the Notes are available in the Extel Statistical Service and copies may be obtained during usual business hours up to and including January 28, 1983 from the Brokers to the issue:

Cazenove & Co., 12, Tokenhouse Yard, London EC2R 7AN

January 14, 1983

INDOSUEZ ASIA GROUP - 1982

INTERNATIONAL BANKING ACTIVITY

As Agent Bank

US$6,500,000 CEYLON HOLIDAY RESORTS LIMITED
HK$35,000,000 FAR EAST CONSORTIUM LIMITED
US$5,750,000 P.T. WISMA BUMIPUTERA
US$25,000,000 DONGSAN CONSTRUCTION COMPANY LIMITED
US$125,000,000 NEW ZEALAND MEAT PRODUCERS BOARD
HK$200,000,000 HONG KONG LAND LIMITED
US$10,000,000 CHINA STEEL CORPORATION
HK$36,000,000 SUN KING FUNG DEVELOPMENT LIMITED

As Lead or Co-Lead Manager

US$1,100,000,000 FEDERAL GOVERNMENT OF MALAYSIA
US$100,000,000 GOVERNMENT OF PAPUA NEW GUINEA
US$100,000,000 GOVERNMENT OF SRI LANKA
US$200,000,000 PTT - PETROLEUM AUTHORITY OF THAILAND
HK$800,000,000 SHUN TAK CENTRE
US$125,000,000 STATE ELECTRICITY COMMISSION OF VICTORIA
US$225,000,000 TAIWAN POWER CORPORATION
US$300,000,000 BANK INDONESIA

CAPITAL MARKETS ACTIVITY

As Lead Manager or Manager

ASICS CORPORATION
US$12,500,000 7% Convertible Bonds due 1997
BEST DENKI COMPANY LIMITED
US$15,000,000 5-7/8% Convertible Bonds due 1997
TOKYU LAND CORPORATION
10,000,000 shares of Common Stock at S$2.596 per share
MINEBEA COMPANY LIMITED
10,000,000 shares of Common Stock at S$3.890 per share
TAIWAN POWER CORPORATION
US$100,000,000 Floating Rate Note Issue
BANQUE INDOSUEZ
US$150,000,000 Floating Rate Note Issue

Banque Indosuez Asia-Australasia offices in
BANGKOK, BOMBAY, COLOMBO, DACCA, JAKARTA, HONG KONG, KARACHI, KUALA LUMPUR
MANILA, OSAKA, PEKING, PORT MORESBY, SEOUL, SINGAPORE, SYDNEY, TOKYO, WELLINGTON.

11.3% decrease in Evode profit

A DROP in profits of 11.3 per cent, from £2.1m to £1.86m, is reported by Evode Group for the 53 weeks ended October 2 1982.

But the directors of this adhesives and joining compounds manufacturing group consider the figures "not unsatisfactory" in the light of the depressed condition of many of the group's markets.

Sales advanced by nearly 31 per cent to £42.73m and included £7.1m from the newly acquired activities. The latter performed rather better than the directors originally expected, but certain non-repetitive exceptional costs prevented them materially contributing more than their financing costs.

Reflecting a low tax charge (£78,000, against £260,000) earnings per share are only down from 11.57p to 10.6p. The final dividend is 1.44p for a net total of 2.033p, compared with 1.848p.

CCA profit before tax, but after an exceptional debit of £99,000, came out at £1.24m (£1.54m).

In the current year, trading performance in the first quarter has been generally very satisfactory and the directors look to the future with confidence, subject to the usual provisos.

Capital expenditure and acquisition costs raised net bank borrowings by £4.9m. However, asset disposals have been made which should reduce borrowings by over £1m; and with planned cash generation this will substantially reduce the debt equity ratio in 1983.

A £2.6m surplus on property revaluation has been taken into the balance sheet.

● comment

With acquisitions having a neutral effect after financing and relocation costs, Evode clearly contained the setback seen at half time. This reflects continuing remedial measures and a noticeable pick up in demand since June, especially from the building sector which accounts for about 25 per cent of sales. Even with a strong brand name, holding volume in the current climate depends on heavy spending on advertising and R and D but it was possible to push through some small price increases recently to protect margins. Costly reshaping should have put the new subsidiaries on course for a significant profit contribution—in better times Postans' profits had been near £0.5m—and further purchases are being sought. However the group is no sparkling performer—return on capital employed in recent years has been more than a third below the level of a decade ago. Dullness is partly compensated for by a policy of steady dividend growth. The current year should see profits getting back into step, with £2.6m pretax and good cash flow and £1m from recent disposals bringing gearing down from 40 per cent to 25 per cent, barring any major deals. Shares, meanwhile, close to net asset value at 87p and giving a prospective p/e of 11 tell much of the story.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Peter Black, Diamond Stylus, Guinness Peat, Ocean Wilsons, Russell Brothers (Paddington), Thorn EMI.

Finals—Abbey Panels Investments, Associated Newspapers, Bio-Isolates, Daily Mail and General Trust, Dewhurst and Partner.

FUTURE DATES

Interims—

AGB Research .... Jan 19

Wholesale Fittings .... Jan 28

Final—

Gestetner .... Jan 19

M & G recovers some earlier lost ground

A BETTER second half than for the same period last year enabled the M & G Group, unit trust manager, to make up some of the lost ground incurred in the first six months.

After falling from £1.96m to £1.52m midyear, profits picked up in the second half and at the pretax level the group returned figures of £3.64m for the full year to end September last, compared with £3.85m the previous year.

The directors say that trading since the end of the year has been "satisfactory and consistent with general market conditions."

A final dividend of 9p, against the mid-year forecast of not less than 7.5p, lifts the net total by 2.5p to 15p per 25p share, an increase of 20 per cent.

The profit for the year was made up as to M & G and associated unit trusts £2.23m (£2.74m), administration of other unit trusts £59,000 (£88,000), investment management services to pension funds £114,000 (£117,000), surplus from long term insurance business funds £200,000 (nil), amount released in respect of the deficiency in the overseas assurance company £131,000 (nil), leasing £257,000 (£123,000) and dividends and interest £646,000 (£779,000).

The profits was subject to tax of £1.25m, compared with £1.57m previously, leaving the net balance ahead at £2.39m, against £2.28m.

Stated earnings per share rose from 25.18p to 26.2p.

It is pointed out that although the results are not materially different from 1981's record no new unit trust was launched in the year under review.

The directors say the results are particularly satisfactory considering M&G's year began with the break in markets caused primarily by Mr Joe Granville's misplaced predictions, and that the previous year had included the launch of the M&G Gilt and Fixed Interest unit trust.

They add that during 1981-82 the group completed the reorganisation of its life and pensions companies and that it has virtually come to an end of its three year programme of tidying up its assurance operations generally.

"M&G now looks forward to devoting more attention to improving its product range and expanding its assurance business at a rather faster rate than has recently been practical."

On the unit trust side of the business, the group now sees signs of improving prospects for funds invested with income objectives and those concentrating on recovery situations. Better performance in some overseas stock markets has already been making its effect.

● comment

The earnings of a unit trust group are derived from two sources—initial charges on new business and renewal charges on existing holdings. M&G Group as a long established company receives a substantial proportion of its earnings from renewal charges, based on the values of the underlying funds. In the year to September 30, 1982, M&G missed out on the worldwide stock market boom and did not launch any new trusts. Hence, the drop in earnings from unit trusts. These features also affected the remuneration from the investment management services to pension funds and other institutions. To offset this, the problems of the life assurance side have been resolved and this subsidiary is now producing steady profits. The group will benefit in the current financial year from the autumn rise in world equity prices and the life side should show steadily rising profits for the next decade. It is this confidence in the future rather than on current results that justify the 20 per cent dividend increase. Share price improved 2p to 345p yielding 6.2 per cent.

Wigfall sees profit in second half

IN THE six months ended October 9, 1982 Henry Wigfall & Son has cut its loss to £1.74m and is forecasting that the full year's figure will be contained at "well below" that.

Mr Gordon Hazzard, the chairman, reports that second half trading is "very encouraging" and market share has been gained in the area of ongoing business. He is confident that the company will return to profit during the current six months.

	Half year 1982 £000	1981 £000
Turnover	18,929	21,627
Ongoing	16,570	
Discontinued	2,359	
Trading profit	1,731	2,774
Ongoing	2,690	
Discontinued loss	959	
Depreciation	2,853	3,405
Ongoing	2,595	
Discontinued	258	
Disposal profit	505	—
Interest paid	849	1,182
Ongoing	593	
Discontinued	256	
Loss before tax	1,466	1,813
Ongoing	498	
Discontinued	968	

The first half loss from this electrical retailer and TV rental group, includes the first effects of the planned redevelopment programme, and shows a reduction of £347,000 over the corresponding period of 1981. The larger part (£968,000) of the loss is attributable to those operations which have been discontinued.

Despite closing more than 40 shops and other premises turnover has suffered only slightly, dropping from £21.63m to £18.93m. As planned, borrowings have been curtailed substantially. With lower base rates, this has resulted in much reduced interest charges — £849,000 against £1.18m.

In the full year ended March 27, 1982 the group ran into a loss of £3.72m, compared to a profit of £634,000, and did not pay a dividend — 6p for the previous year.

● comment

After three years Wigfall has managed to end its downward spiral of ever-worsening results; not that a pre-tax deficit of £1.47m is anything to be cheered at, but at least it is smaller than the £1.8m lost in the same period of 1981. Moreover, two-thirds of that loss was sustained by shops which have since been closed down. Wigfalls is now a much smaller operation, with most of its branches north of Coventry. 40 shops in the south were shut down during the period, and the company was paid about £4m for the sale of those TV rental contracts to Electronic Rentals. That has gone towards reducing borrowings, which now stand at about 65 per cent of shareholders' funds, rather than the 100 per cent they were at the year-end. Not surprisingly, business has picked up substantially in the last few months, with the existing shops selling as much as the larger operation did the year before. Losses for the year should be under £1m.

Wm Dawson rises to £2.3m and pays more

Taxable profits of William Dawson (Holdings) advanced from £1.59m to £2.28m in the year to September 30 1982, on higher turnover of £22.9m, compared with £20.26m.

With earnings per 10p share of this unquoted company given as 34.85p (26.58p) the year's dividend is being raised from 3.5p to 6p net with a final of 4p. The principal activities of the group are a journal subscription service, specialisation in rare books, learned and scientific books and reprints.

The chairman says he is confident that "the group has proved its advance on to higher ground."

Tax took £1.25m (£949,000).

Mixed fortunes for Sun Life

Sun Life Assurance Group showed only marginal growth in new business last year, with a strong rise in new life business and individual pensions being counterbalanced by a substantial drop in group pensions business.

New annual premiums were virtually unchanged at £34.9m, against £34.8m, while single premiums improved by a mere 6½ per cent from £71.1m to £75.7m.

New annual premiums, excluding group pensions, showed a near 30 per cent rise last year from £19.5m to £25.2m, with individual life business, conventional and unit linked advancing by 39 per cent. Annual premiums on individual pension contracts moved ahead by 17 per cent.

Mr Richard Zamboni, managing director of Sun Life, stated that in common with most life companies with large group portfolios, the recession had resulted in a substantial fall in new premiums for this sector of the market.

In the circumstances, he felt that it was a considerable achievement to maintain the level of annual premiums.

National Employers Life had a very successful year in 1982 for single premium business which more than doubled from £8.2m to £17.3m. But annual premiums business fell marginally to £10.1m.

The successful areas of new business during the year were the continued expansion of NEL's permanent health insurance contracts, where the company is a market leader, and the launch of the pensions transfer plan to meet the problem of job changers.

A mixed pattern of new business is reported from the Glasgow-based life company FS Assurance. New annual premiums for ordinary life business rose by more than 40 per cent to £1.1m, while new single premiums jumped by a similar percentage to £3.75m.

Pensions business showed a marginal improvement to £449,000, with increases in individual pensions offset by a drop in group pensions business.

Aidcom Intl.

At an extraordinary general meeting the change of name from Allied International Designers Group to Aidcom International was approved.

Waddington tumbles into £0.2m deficit

TRADING LOSSES of £146,000 against profits of £618,000 in its games division, have resulted in John Waddington incurring pretax losses of £271,000 in the 26 weeks to October 2 1982. In the corresponding period last year profits of £506,000 were reported. Overall, the company had trading profits of £317,000 against £1.03m, and packaging and printing contributed improved figures of £463,000 against £406,000.

No interim dividend is again payable, and a recommendation with regard to the final will be made at the usual time in the light of performance and prospects. Last year, a final of 0.5p was paid from pre-tax losses of £326,000 (£319,000).

The direcetors say the company is expected at least to break even before charging extraordinary costs in the second half.

Even if the general economic climate remains in its present state, they expect the company will return to profitability in 1983-84, and they do not foresee any major extraordinary costs in that year.

First half sales slipped from £24.75m to £23.4m. The pre-tax figure was struck after redundancy costs of £64,000 (£164,000) and interest charges up from £356,000 to £524,000.

There was a tax charge of £41,000 compared with £6,000, and there was an extraordinary debit of £861,000 compared with £180,000, being relocation and reorganisation expenses. There was a loss per 25p share of 5.22p compared with earnings of 7.78p.

The games companies have been affected by lower overall demand, say the directors. Subbuteo sports games was moved to Leeds last spring, and the playing card business and international operations have also been integrated into the main games company in Leeds. This is now called Waddington Games.

The loss-making French business has been closed and distributors found to ensure continuity of sales in France of Subbuteo and some other games products.

In packaging and printing, the directors say supply exceeds demand, prices have fallen and most manufacturers are performing badly.

Although the company's costs have been severely pruned in the last few years, the company is now making a further significant change by merging the activities of John Waddington of Kirkstall with the two main packaging companies. A large factory and site will be released.

The move has been facilitated by the substantial investment in machinery made in recent years, and with a lower cost base, the company is better placed to respond to current market conditions and any increase in demand.

● comment

John Waddington's interim figures show the games side in its best light, so the loss from that business is disappointing. The talk at the Harrogate toy fair, which ended yesterday, was that the Christmas period was only slightly better than the very poor 1981, and JW has had the special problems of disruption caused by substantial reorganisation. The seemingly interminable rationalisation costs have been one factor in the deterioration of the balance sheet: year end debt could be around £8m—about 50 per cent of shareholders' funds. Plastocan has been the destination of at least £1m of capital expenditure; JW is rather secretive about how things are progressing, but it is probably profitable at the trading level. As for the rest of packaging and printing, it seems to be the latter that is making the running, particularly on the business forms side. After the results the shares shed 2p to close at 84p, under a third of net asset value. For the year as a whole John Waddington will do well to pass Go.

Muirhead pushes above £1.2m and lifts payout

PRE-TAX profits of Muirhead rose by £334,000 to £1.22m for the 12 months ended September 30 1982, on higher sales of £30.37m, compared with £28.56m previously—the group manufactures electro-mechanical devices and communications equipment.

However, profits for the second half at £457,000 were well down on those of the first six months and some £520,000 lower than figures for the second half of the previous year.

The dividend for 1981-82 is being lifted from 3p to 4p per 25p share by a same-again final of 2p from earnings per share 8.6p ahead at 15.9p.

Sir Raymond Brown, the chairman, reveals that the German subsidiary has ceased trading and that North American operations are being reduced in the main to those of marketing, servicing and post design services.

Group trading profits for the year improved from £2.06m to £2.33m before interest charges of £1.11m, against £1.18m.

There was a tax credit this time of £214,000 (£222,000 charge), minorities of £82,000 (£38,000) and an extraordinary loss of £642,000 (£93,000) arising from the rationalisation of overseas operations.

In his interim statement, Sir Raymond said that a decision to close the German operation had been implemented and that the resulting costs would be reflected in the full year figures. He added that attention was being devoted to the remaining overseas companies.

The chairman pointed out that although the group's order books and order intake were at satisfactory levels overall, the general effects of the recession were continuing to be felt in the companies engaged in process control activity.

Allowing for current cost adjustments, pre-tax profits for the full year emerged at £669,000 compared with a previous loss of £62,000.

● comment

Muirhead has been considered a recovery stock for over two years. The share price, even after yesterday's 10p fall to 164p, is 57 times the fully-taxed inflation-adjusted earnings (and 27 times the HCA figure). Such a large disparity between the CCA and HCA profits is unusual for a purported electricals growth stock and only its electro-mechanical components division has a notably long order book. The profits from a £2m contract for slow infusion pumps for diabetics and a $7m sub-contract for ship stabilising equipment for the U.S. Navy will start coming through in the second half of this year. The outlook is bleak for the highly-specialised facsimile division, which concentrates on newspaper and weather fax, even though in the second half of 1981-82, it made some valuable pickings (and £2m sales) from the corpse of Nexos's document facsimile business. Further cost-cutting and rationalisation in West Germany and at home in 1981-82 may help—but profits will be down substantially in the first half of this year. Overdrafts remain uncomfortably high at nearly £7m.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
AIM Group ....int	1.9	—	—	—	3.85
Danae Invest Tst ...int	1.6	Feb 28	1.6	—	4
Evode	1.44	April 5	1.31	2.03	1.85
Fleming Technology int	1.6	Feb 15	1.6	—	4.3
Greene King ....int	1.3	—	1.2*	—	3.55*
Hill & Smith	2.5	April 1	2.27*	3.5	3.18*
Jones, Stroud ....int	2	April 8	2	—	5.2
London Inv Tst ....int	0.37†	Feb 21	0.35	—	0.88
Rbt. H. Lowe	2.6	April 1	2.6	3.27	3.27
M & G Group	9	Feb 24	7.5	15	12.5
Muirhead	2	March 4	2	4	3
Standard Secs	0.19	Feb 28	—	1.4§	—
Syltone ....int	3.6	Feb 28	3.6	—	9
Symonds Eng ....int	0.22	Feb 28	0.22	—	0.79
John Waddington ...int	nil	—	nil	—	0.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Includes third interim of 1.21p for 11 months to September 30 1981.

Greene King over £3m midterm

SUFFOLK - BASED brewer Green, King & Sons returned improved profits for the 26 weeks to October 31 1982, the pre-tax figure emerging at £3.13m, compared with £2.92m for the same period last year.

Group turnover was up by 8 per cent, rising from £30.72m to £33.28m.

In their interim report the directors say that trading conditions are not improving but sales performance, based on the "high reputation" of the group's beers, gives ground for "cautious optimism."

They are effectively increasing the net interim dividend from 1.2p to 1.3p after allowing for the fairly recent one-for-one scrip issue—a final equal to 2.35p was paid for the 1981-82 year when pre-tax profits totalled £7.2m (£6.56m).

During the first half, an increase in draught beer almost compensated for a fall in bottled beers so that beer volume was about the same as in the corresponding months last year. Wine and spirit sales were also level.

Profit margins were maintained and although the group raised the prices of its beers in November they "still remain competitive."

● comment

It was a rather back-handed tribute to past prowess that Greene King's shares dipped 6p to 232p after announcing a gain of 7 per cent in pre-tax profits and of 8.4 per cent in turnover for the half year. The market, which has regarded the company as recession-proof, was mildly disappointed; wanted to see the 10 per cent growth rate maintained. Sales growth in fact compares favourably with the industry trend—down 2 per cent—and is continuing in the second half. The final six months will benefit from two factors. Not only will the price rises of November work through, but the favourable trend of draught beer sales will show up in better profit margins. Bearing in mind that other independent brewers will find the going harder this year, Greene King still justifies its rating, and the yield of 3.35 is typical for a regional brewer.

Aircraft division losses hit AIM

A LOW level of deliveries in the aircraft division of aviation and general engineer AIM Group helped cause a slide in taxable profits from £1.13m to losses of £198,000 in the first half to October 31 1982. Turnover fell from £5.68m to £3.6m.

The interim dividend is set at 1.9p while losses per 10p share are given as 1p (6.02p earnings). Last year a single payment of 3.85p was made and the directors say a final of the same amount will be paid in the current year, making a total of 5.75p. The shares were offered for sale in March 1982.

They say that despite the disastrous first half they are encouraged by the current level of sales which they expect to be significantly higher in the second half.

The results of the aircraft division would have been substantially better they say had the administration of two large contracts at Henshall not gone astray. Radical steps have now been taken they say, including changes in the management of that company.

There was a tax credit of £93,090 (£531,000 charge) leaving net losses of £105,000 (£602,000 profits). There was also an extraordinary debit of £25,000 (nil) relating to the disposal of freehold property.

● comment

Red faces are in abundance at AIM Group. Within less than a year of bouncing on to the market with an impressive profits record the company has been a victim (that's not quite the right word) of incompetence and unfortunate timing. The loss stemmed from Henshall where work on a major contract fell seriously behind and costly extra labour was recruited to keep the customer happy. Also a "one off" military contract, outside the normal business, ran into technical delays. Heads have rolled and the damage is out of the way, the company says. But this all occurred in a half-year when deliveries were abnormally low. Sales in the second half should be double the level of the first six months leaving the total around 14 per cent down. This could leave the full year pre-tax outturn around £0.75m. The company is naturally anxious to sweep the current year under the carpet and talks of an order book holding up well in a depressed aircraft market, with refurbishment business, and benefits to overseas sales from the lower pound. The market was not in a forgiving mood, trimming 2p off the shares to 84p against last year's offer for sale price of 140p.

Private placing values Sinclair at £136m

Sinclair Research, the personal computer company, has been valued at £136m by a private placement of 10 per cent of its equity with City institutions. N. M. Rothschild, the merchant banker, has priced the 400,000 shares on sale at £34. Final allocation of the shares is not expected until next week.

Mr Clive Sinclair, who owned 95 per cent of Sinclair Research is expected to raise nearly £13m from the sale of shares. Mr Ian Henry, who owned the remaining 5 per cent of the company is also selling 10 per cent of his shares.

Sinclair Research was founded in July 1979 and sold its first product in February 1980. Investors have been told the company expects to make a profit of £14m on sales of £50m in the year ending March 31 1983.

Last year the company made a profit of nearly £9m on sales of just over £27m. The finance raised by the share sale will largely be used by Mr Sinclair for one of his pet projects to produce a low-cost, battery-driven town car. Sinclair Research is expected to seek a public quotation in about one year's time.

Sinclair Research has sold over 900,000 computers since it was founded.

It is expected to launch a pocket-sized black and white television later this year which will sell at about £50. Most of its products are made by Timex at Dundee. Earlier this week Mr Sinclaire threatened to move production away from Timex, if the workforce went on strike over redundancies involving other products.

NFC advances in first 8 months of trading

BOTH TURNOVER and operating profits moved higher during the first eight months trading at National Freight Consortium (NFC), reported Mr Peter Thompson, chairman.

NFC is 82½ per cent controlled by its employees and 17½ per cent by a group of major UK banks, having been set up in February last year when former employees of the state-owned National Freight Company, together with their families and pensioners of the company, bought control of the *former nationalised* concern.

A final dividend of 3p is proposed, making a total of 12p for the 8 months, and there will be a one-for-one scrip issue.

NFC achieved turnover of £290.1m for the period, and trading profits of £11.9m, after costs of £278.2m. Operating profits of £18.3m were struck after including £8.3m from property sales and charging £1.9m for redundancies and special charges incurred in setting up.

Comparisons are with a 12-month period of the former state-owned company, but Mr Thompson said that NFC's operating profits showed a 14 per cent gain on an comparative basis and turnover a 6 per cent gain.

From 14th Jan. 1983 the Lombard 14 Days Notice Deposit Rate will be 11¼% per annum

Lombard North Central PLC
17 Bruton St., London W1A 3DH
For details phone 01-409 3434

Syltone falls to £59,000 midway

WITH the recession in the U.S. proving much more severe than expected, pre-tax profits at Syltone plummeted from £550,000 to £59,000 in the half-year to September 30 1982.

Mr J. A. Clegg, the chairman of this engineering and wholesale electrical distributor, says that with regard to the second half, he can foresee continuing losses on the U.S. operations which will be "extremely difficult to stem" before the new accounting year 1983-84. He says this is despite the "painful cutbacks" the company has made during the last six months.

Expenditure will continue on all research and development and expanding overseas markets generally.

The interim dividend is unchanged at 3.5p, and the chairman anticipates that the final will be 5.4p—the same as last year.

First half turnover was lower at £7.61m compared with £7.97m. The pre-tax figure was after interest charges up from £44,000 to £136,000. After tax of £49,000 (£276,000), attributable profits came out at £10,000 against £274,000.

The Drum/Webster engineering division had lower profits in the UK and Europe, down from £431,000 to £335,000, and J. Dyson and Co., the electrical wholesaling distributing division, contributed a pre-tax profit of £47,000 and appears to be holding on to its improved trading position.

Group expenditure on research and development was £313,000 (£146,000). Syltone is forming a new company in Milan, and initial costs, amounting to £31,000, have also been written off.

Mr Clegg says the balance-sheet remains strong.

The company has acquired, subject to contract, H. and K. Bradley (Trailer Equipment), of Bingley, West Yorkshire, for approximately £1.06m. It manufactures a wide range of trailer towing and undergear equipment mainly for commercial vehicles.

Its net assets amount to approximately £1.22m, and unaudited accounts for 1982 are being warranted by the vendors and also show a pre-tax profit of £135,000 after charging a non-recurring provision of £50,000 for directors' pension contributions.

Investors Capital Trust ahead

Net revenue available of Investers Capital Trust improved to £2.17m for the year to November 30, 1982, compared with £2.02m previously, and a final dividend of 1.85p raises the net total from 3.15p to 3.35p per 25p share.

Gross revenue advanced to £5.01m (£4.66m) but earnings per share are shown as falling from 3.26p to 3.15p. Net asset value per share emerged at 179.9 (150.5p).

Valuation of investments totalled £129.3m (£110.7m) and total net assets improved to £128.87m (£110.42m).

U.S. acquisition boosts LIT

INCLUDING A full six months contribution from Shatkin Trading, acquired in last April, group pre-tax profits of London Investment Trust for the half year ended September 30 1982 have doubled to £1.02m.

The directors report that activity in commodity markets generally remains depressed. But both E. Bailey Commodities, the principal UK subsidiary and Sharkin, the major Chicago-based commodity clearing and broking firm, continue to experience good business and Shatkin, particularly, is more than fulfilling expectations.

Turnover in the half year shot up from £1.12m to £4.58m. After tax of £491,000 (£262,000) the net profit came out at £529,000 (£272,000). The interim dividend on the enlarged capital is raised to 0.3745p (0.35p) at a cost of £182,000 (£97,000), from earnings of 1.89p (0.98p).

The board expects, subject to unforeseen circumstances, to increase the final dividend by a rate at least commensurate with the rise in the interim. Last year's final was 0.75p gross, equal to 0.525p net.

Liquidity continues to be strong, the directors state, having been boosted by further sales of flats in Petersham House since April last, and the directors continue to explore possible areas of expansion both at home and in the U.S.

In connection with the acquisition of Shatkin the first instalment of the deferred consideration of $2.5m will become payable. Of this $500,000 will be met by the issue of 1,111,112 ordinary shares and the balance of $2m in either cash or by the issue of 4,222,775 shares, or a combination of cash and shares at the vendor's option.

Wolseley rights result

Wolseley-Hughes' £17.9m cash call launched three weeks ago has been marginally undersubscribed. Acceptances have been received in respect of approximately 96.8 per cent of the 3.8m new ordinary shares offered by way of rights.

The shares not taken up have been sold at a net premium of about 89p per share over the subscription price of 470p. The net premium will be distributed in proportion among the holders to whom such new ordinary shares were originally allotted.

Individual amounts of less than £1 will not be distributed

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M. J. H. Nightingale & Co. Limited

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1982-83 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
133	120	Ass. Brit. Ind. Ord.	133	—	6.4	4.8	7.8	10.2
150	117	Ass. Brit. Ind. CULS	150	—	10.0	6.7	—	—
74	57	Airsprung Group	65	—	6.1	9.4	7.4	12.7
46	36	Armitage & Rhodes	36	−1	4.3	11.9	4.0	7.1
286	197	Bardon Hill	286	—	11.4	4.0	12.0	15.1
123	100	CCL 11pc Conv. Pref.	121	—	15.7	13.0	—	—
270	240	Cindico Group	245	−1	17.6	7.2	9.9	11.1
86	58	Deborah Services	58	—	6.0	10.3	3.8	10.4
152	125	Frank Horsell	152	+1	7.9	5.2	6.4	6.8
83	61	Frederick Parker	61	—	6.4	10.5	3.1	5.9
55	38	George Blair	38	—	—	—	6.6	13.8
100	78	Ind. Precision Castings	78	—	7.3	9.4	10.0	12.6
135	100	Isis Conv. Pref.	134	—	15.7	11.7	—	—
126	94	Jackson Group	126	—	7.5	6.0	3.9	8.0
172	111	James Burrough	170	—	9.6	5.6	12.4	13.8
280	170	Robert Jenkins	170	—	20.0	11.8	1.9	27.0
83	54	Scruttons "A"	74	—	5.7	7.7	9.6	11.6
167	117	Torday & Carlisle	117	—	11.4	9.7	5.2	9.0
29	21	Unilock Holdings	24	—	0.46	1.9	—	—
85	71	Walter Alexander	73	−1	8.4	8.8	5.2	7.5
254	214	W. S. Yeates	253	—	14.5	5.7	6.6	13.2

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LONDON TRADED OPTIONS

January 13 Total Contracts 3,007 Calls 2,204 Puts 803

Option	Ex'rcise price	Jan. Closing offer	Vol.	April Closing offer	Vol.	July Closing offer	Vol.	Equity close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

C=Call P=Put

EUROPEAN OPTIONS EXCHANGE

Series	Mar. Vol.	Mar. Last	Jun. Vol.	Jun. Last	Sep. Vol.	Sep. Last	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS 11,245

A=Asked B=Bid C=Call P=Put

BIDS AND DEALS

Dealings in Henry Sykes suspended

DEALINGS were suspended yesterday in Henry Sykes, the South London pump manufacturer, at the company's request, following an approach which may lead to an offer.

The company, which is in the midst of reorganisation following losses for the last two years, said a further announcement would be made as soon as possible.

In December, the company reported a pre-tax loss of £137,000 for the half-year to September 26 1982. This was a substantial improvement on the £762,000 loss in the comparable half of 1981. The company made a trading profit of £123,000, but was pulled into the red by interest charges.

In October last year, the company announced plans to close a unit at Harlow, Essex. In November, it sold a subsidiary in the U.S. for around £1.2m. This money is to be used in part to pay off remaining borrowings in the U.S.

Ciro shares 28p above cash terms

Shares in Ciro, the imitation pearl jewellery retailer, were marked up a further 5p yesterday to 108p and now stand at a 28p premium to the cash offer from Swarovski International, the Austrian jewellery manufacturer.

Swarovski, which controls almost 30 per cent of Ciro, was pushing yesterday for publication of Ciro's formal defence document and a report on the position regarding its 1982 profit forecast. The Takeover Panel has consented to an extension of Swarovski's offer.

The latest date at which the offer could be declared unconditional as to acceptances had been February 1 but Swarovski can now extend to the date 21 days after. Ciro has circulated shareholders with the findings of its financial advisors and reported on the £400,000 pre-tax profit forecast.

Ciro has already pointed out that the forecast could not be up-dated until the vital Christmas selling period was over although it is now understood that the group should be in a position to comply on both counts today.

Howard and Wyndham, the publishing group with a 42.17 per cent stake in Ciro, has rejected the 80p cash offer and the other large shareholder, Mr Jean Pierre Marque, has accumulated his 14.6 per cent holding at prices substantially in excess of Swarovski's terms.

NO PROBE

The proposed merger between C. H. Beazer (Holdings) and R. Green Properties is not to be referred to the Monopolies and Mergers Commission.

Charter defers its new offer decision for Strathclyde

BY RAY MAUGHAN

Charter Consolidated, the mining finance and investment group, has deferred the decision it had initially expected to make yesterday concerning a new bid for Anderson Strathclyde.

The Takeover Panel has informed Charter that it need not announce the new bid until after the position had been clarified on the judicial review of the action taken last month by Mr Peter Rees, the Minister of State for Trade, to overrule the majority recommendations of the Monopolies Commission.

The review will be heard in the Queen's Bench division of the High Court in the week beginning January 31 and Charter was confident yesterday that the case had "little chance of success."

The postponement of the new bid announcement, Charter said, coincided with a move by Anderson to seek such an undertaking. Sir Monty Finniston, the chairman of Anderson, and his colleagues have refused Charter's request that the proposed tender offer for a majority of the shares in National Mine Service should not be declared unconditional unless Anderson achieves a majority shareholding.

Anderson's shareholders will be asked to sanction the intended $32.2m deal at a meeting next Wednesday. Charter is now seeking an amendment to the resolution which is to be put to Anderson's shareholders stipulating that Anderson must reach its intended target of control.

Anderson, however, has always been quite clear that it would only seek control of NMS and would not be locked in as a minority. It complained that the amendment breached the spirit of the undertaking Charter gave the Monopolies Commission that it would not interfere with Anderson's management autonomy.

Charter will vote its 28.4 per cent Anderson stake in favour of the amended resolution. Mr Neil Clarke, the chief executive of Charter, said yesterday that geographical and product diversification potential offered by National Mine Services "appears to be the kind of acquisition that Charter wishes to encourage Anderson to make."

But NMS has "an awful lot of risks attached" and would impose "immediate financial strains." That, he felt, "emphasises the validity of Charter's belief that Anderson's future requires stronger backing for its overall development than it would be able to muster without Charter."

Charter's broad support for the acquisition squares with the partial offer for NMS launched last month by Longyear, a U.S. company owned ultimately by Charter's principal shareholders, Anglo American and De Beers.

Longyear has this week lifted its offer by $1 per share to match Anderson's own terms of $12.50 per share and has raised the extent of its bid from a 24.7 per cent stake to a 36 per cent holding.

BCA is head of group 'bidding' for Cope Allman

BY CHARLES BATCHELOR

British Car Auctions Group (BCA) emerged yesterday as the head of a British-Kuwait consortium which is expected to make an offer for Cope Allman International within the next day or so.

BCA, which is based in Farnham, Surrey, is believed to have the support of around 30 per cent of Cope's capital. Mr Louis Manson, Cope chairman and chief executive, said however, that he thought BCA's holding was only 4 per cent. However, some of the institutions holding 70 per cent of Cope's capital may have pledged their support.

Sharjah Group, the Kuwait-based investment company, is also a member of the consortium and is believed to be putting up a large part of the finance.

Cope first met members of the consortium before Christmas for talks but there has been no meeting since.

Cope, which has engineering, packaging and leisure interests, is opposed in principal to a bid. Its performance began to recover in the year ended July 1982 when pre-tax profits rose to £1.95m from £373,000. In 1980-1981 profit was £11.3m.

"We feel we have done virtually all the work necessary to turn the company round but the share price and profits do not reflect that," said Mr Manson. "We are still taking all the costs of the redundancies and the turn-round. I have always believed this was the weak point."

Cope's shares rose 3p to 58p yesterday valuing the company at £22.9m. BCA's shares were an unchanged 156p.

Expansion at Bremar Trust

BREMAR TRUST, the investment company, has agreed to buy a majority holding in Bremar Holdings (BHL). It is also negotiating to purchase a privately-owned company in the financial sector.

BHL, a licensed deposit taker, until yesterday owned 44 per cent of Bremar Trust shares. These were suspended yesterday at 63p. By the time suspension if lifted, in May at the latest, Bremar Trust will hold 51 per cent of BHL shares, with an option to acquire the remaining 49 per cent.

A portion of the BHL shares will be acquired by subscription, which should inject at least £2m of new capital into the company. A spokesman said yesterday that BHL's present holdings in Bremar Trust may be placed with institutions.

Since January 1980, when Bremar Trust mounted a £700,000 rights issue, it has been diversifying into corporate activities in the financial sector, the spokesman said. This has led to the purchase of a majority share in three companies.

At its last general meeting, Bremar Trust shareholders approved proposals for the company to adopt "a policy which could lead to the loss of investment trust status," the company said. Yesterday's takeover makes this even more likely.

As at December 31 1982, BHL shareholders' funds amounted to £9.2m. Bremar Trust's market capitalisation, at a suspension price of 63p, was £3.3m — on return to the market it is expected to be around £10m.

SAVOY SWITCHING

The directors of the Savoy Hotel wish to make a substitution of the present fixed security for the £700,000 8 per mortgage debenture stock 1991-96.

They wish to substitute for the first mortgage on Claridges Hotel a second mortgage on the freehold of the main part of the Savoy (together with a first mortgage on the remainder of the hotel, which is part freehold, part leasehold) as part of the security for the stock.

They also propose that the guarantees given by Claridges and the Worcester Buildings Co. should be released, in consideration for which it is proposed to increase the interest on the stock from 8 per cent to 8¼ per cent.

Independent surveyors and valuers have expressed the view that the value of the freehold and leasehold property now comprising the Savoy on an open market basis at January 1 1982 was not less than £14m.

REGIONAL PROPS.

Regional Properties is proposing that holders of the A ordinary be given the right to vote so that their shares rank equally in all respects with the ordinary shares.

In order to effect enfranchisement, all the issued and unissued A ordinary, together with 5.385m unclassified shares of 25p, will be converted into ordinary of 25p, carrying the same voting rights and ranking pari passu, save that they will not rank for the capitalisation issue already announced, and that of the shares so converted, only the A ordinary in issue on July 14 1983 will rank for the interim dividend of 0.9p on account of the year to March 31 1983.

DERITEND STAMPING

Deritend Stamping has completed the sale of Bescot Drop Forgings to Hill and Smith Holdings for a total consideration of £600,000. This includes the settlement of inter-company trading accounts of £310,330 and loan of £450,000 from the holding company has been waived.

RESULTS AND ACCOUNTS IN BRIEF

CAMBRIAN AND GENERAL SECURITIES (investment trust)—Net asset value £10.75m at December 31 1982 (£8.46m at September 30 1982), chairman told AGM. Overall gain in net assets since trust's reorganisation in March last year 34 per cent. Net asset value per 25p share at end-December 50.23p and 7½p capital share 27.3p.

JONES STROUD (HOLDINGS) (manufacturer of fabrics, accessories and materials for textile and electrical industries)—Pre-tax profits for six months to September 30 1982 £1.32m (£1.2m): turnover £14.9m (£14.06m): interest payable £192,000 (£240,000): associates £185,000 (£169,000): tax £495,000 (£471,000). Interim dividend 2p net (same). Extraordinary debits £17,000 (£3,000 credits). Earnings per share pre-extraordinary items 8.37p (7.32p). Chairman anticipates that profits for the full year will be in excess of last year's £2.6m.

ROBERT H. LOWE (clothing manufacturer)—For year to October 29 1982: final dividend 2.6p net per 25p share (same) making 3.285p (same): stated losses per share 2.8p (13.45p earnings): pre-tax posses £491,000 (£241,000 profits): turnover £8.2m (£6.94m): trading losses £453,000 (£158,000 profits): Interest payable £37,000 (£83,500 receivable): tax credit £404,000 (£189,000): extraordinary debit £91,000 (nil) for closure costs of Wheatley Hill manufacturing unit. Chairman expects better performance in 1983.

HILL AND SMITH HOLDINGS (steel stockholder)—Final dividend 2.5p (2.2727p adjusted), making 3.5p (3.1818p adjusted) net for year ended September 30 1982. Further scrip issue on one-for-10 basis proposed. Turnover £18.66m (£15.15m). Pre-tax profit £1.08m (£411,592). Tax £366,320 (£135,705). Extraordinary debits £83,236 (£74,072). Earnings per 25p share 8.72p (4.4p adjusted). Improved results reflect benefits of reorganisation rather than any improvement in general trading conditions.

STANDARD SECURITIES (property investment and development)—Pre-tax profits for year to September 30 1982, £716,000 (£277,000 for 11 months); total income £2.43m (£1.42m); tax £182,000 (£124,000). Earnings per share 4.65p (1.53p). Final dividend 0.19p, which together with third interim of 1.21p for 11 months to September 30 1981, produces a total, as forecast, of 1.4p net. Directors say exceptional increase in profits originally forecast arises from the appreciable reduction in interest rates and considerable (but temporary) improvements in cash flow as a result of deferred working capital and earlier than projected house sales.

DANAE INVESTMENT TRUST — Net revenue for half-year to September 30 1982, £118,086 (£105,569): gross revenue £287,430 (£333,248) including subsidiaries' profits on dealings £5,598 (loss £2,062). Tax £75,823 (£79,801): minorities £49,187 (£58,028). Earnings per income share 1.7p (1.51p): net asset value per income share 43.16p (35.14p). Interim dividend 1.6p net (same)—last year's total was 4p.

SYMONDS ENGINEERING — Interim dividend 0.2225p (same) for six months to September 30 1982. Sales £1.38m (£1.42m). Pre-tax profit £111,000 (£110,000). Tax £57,000 (same). Earnings per share 0.531p (0.512p). Chairman hopeful trading results for year will be satisfactory.

GREEN'S ECONOMISER GROUP (engineer).—First half profits in company's energy-related business lower than anticipated, say the directors. The full benefit of company's recent rationalisation should be felt in 1983. Closures of foundry company and French operations now been completed at cost of some £900,000 as approximated in interim statement. No further closures expected to be necessary. Group enters 1983 confident of returning to profit at manning levels in keeping with the level of business likely to be available. The group remains in financially sound position.

MOORGATE INVESTMENT TRUST—Interim dividend 2.75p (2.6p) net for half year to November 30 1982. Revenue: franked £260,000 (£244,000), unfranked £81,000 (£82,000). Expenses £27,000 (£24,000). Interest £8,000 (same). Tax £12,000 (£17,000). Tax credits on franked income £78,000 (£73,000). Net profit £198,000 (£186,000). Earnings per 25p share 4.29p (4p). Net asset value per share 183.4p (162.9p).

M & G DUAL TRUST—Final dividend 12.5p net making total 21.75p (21.15p) for 1982. Pre-tax revenue £1.79m (£1.74m). Tax £536,515 (£521,511). Asset value per 10p capital share 581.6p (476.26p).

HALES PROPERTIES GROUP (property investor, developer and dealer)—For six months to September 30 1982 interim dividend 1.33p net per 5p share (1p adjusted for one-for-two scrip): pre-tax profits £282,754 (£276,387): sales £332,056 (£566,050): rental income £314,761 (£244,325): interest payable £30,569 (£31,568): stated earnings per share 4.98p (4.98p adjusted).

ASHDOWN INVESTMENT TRUST—Final dividend 4.5p (same) making 8.5p (8.6p) for year to November 30 1982. Earnings per 25p share 8.98p (6.74p). Gross revenue £1.38m (£1.34m), expenses and interest £187,712 (£176,819), tax £424,704 (£417,344), net revenue £767,195 (£741,596). Net asset value per share 318.3p (267.2p).

HEAVITREE BREWERY—Turnover for year to October 31 1982 was £4.04m (£3.63m) and pre-tax profits £618,074 (£659,339). Trading profits £620,686 (£686,850), associate's losses £2,612 (£27,511), tax £319,482 (£330,118), exceptional credits £8,437 (£37,977), extraordinary credit £81,921 (nil). Earnings per £1 share 58.6p (72.2p). Final dividend 17p making 23.6p (22.5p), payable March 15.

HIGSONS BREWERY.—Results for the year to October 1, 1982 already known. Group shareholders' funds £28.3m (£27.77m). Fixed assets £27.62m (£26.84m). Current assets £3.82m (£4.33m), current liabilities £3.55m (£3.93m). Meeting: Liverpool, February 4, noon.

The London Investment Trust PLC

INTERIM RESULTS

	Six Months to 30th September 1982 £'000	1981 £'000
Turnover	4,576	1,118
Profit before taxation	1,020	534
Earnings per share	1.09p	0.98p
Gross dividend per share	0.535p	0.50p

HIGHLIGHTS

These results include a full six months' contribution from Shatkin Trading Company, the major Chicago based commodity clearing and broking firm acquired in April 1982.

The level of activity in commodity markets generally remains depressed but both Bailey, the Group's principal UK subsidiary, and Shatkin continue to experience good levels of business and Shatkin in particular is more than fulfilling expectations.

It is anticipated that, subject to unforseen circumstances, the proposed final dividend (1981 0.75p gross) will be increased by a rate at least commensurate with the increase in the interim dividend.

MINING NEWS

CSR sells three gold prospects

BY GEORGE MILLING-STANLEY

AUSTRALIA'S Whim Creek Consolidated has reached agreement with the industrial and natural resources group CSR to buy out the latter's minority interests in three gold joint ventures in Western Australia.

CSR currently holds 15.39 per cent in the Meekatharra prospect, and 25 per cent in both the Murchison "A" and "B" ventures. The deal will give Whim Creek, owned as to 30 per cent by Canada's Northgate Exploration, full ownership of all three deposits.

The total consideration payable to CSR is A$1.05m (£654,000) in cash and 2,000 ozs of gold bullion. Delivery of the gold will be spread over 20 months at a rate of 100 oz per month, starting in February.

Whim Creek plans to use part of the proceeds of a new share placement to pay for the deal. The placement, of 3m new ordinary shares at a price of A$1.08, is to be confined to Australian shareholders, in accordance with the company's declared policy of raising the level of Australian ownership.

The balance of the funds will be used to pay off all Whim Creek's debt, increase working capital and finance a planned expansion of output at the Haveluck gold mine.

Haveluck, part of the Meekatharra venture, currently produces 14,500 ozs of gold a year from a heap leach operation and a carbon in pulp plant. Whim Creek plans to increase this to 21,000 ozs a year.

Whim Creek has also concluded a deal with Northgate whereby the Canadian company's rights to a 35 per cent interest in the Cork Tree Well gold prospect near Laverton, also in Western Australia, will revert to Whim Creek.

In return, Northgate receives a five-year option to buy 3,000 shares in the Australian company at a price of A$1.50 a share.

In a separate development, Northgate has moved to tidy up its gold interests by lifting its stake in Consolidated Orofino Resources from the present 15 per cent to about 70 per cent.

Northgate will transfer to Consolidated Orofino its share of several gold properties, including the Orofino, Jackson-Manlon and Red Summit deposits, all in northern Ontario.

This restructuring is expected to result in an early resumption of exploration and development at the Orofino property, currently operated as a 60/40 joint venture between Northgate and Consolidated Orofino.

Windy Craggy shaping up as copper giant

THE Windy Craggy prospect of Falconbridge (51 per cent) and Geddes Resources (49 per cent) in the north-west corner of British Columbia is shaping up to become the biggest and best grade copper deposit in Canada since the Texasgulf strike at Kidd Creek in 1964, reports John Soganich from Toronto.

Exploration work to date, including 12 diamond drill holes, has indicated as much as 350m short tons of sulphide mineralisation averaging 1.5 per cent copper and 2 pounds cobalt per ton together with some zinc, silver and gold.

Within this deposit there is a higher grade zone of 100m tons which averages 3 per cent copper and two pounds cobalt.

Mr Geddes Webster, president of Geddes Resources, sees no difficulty in doubling the drill-indicated tonnage. So far it has been drill-tested for a length of more than 3,600 feet and wide variations in widths (thicknesses) of the mineralisation have appeared with some intersections running to as much as 150 feet.

The deposit starts at shallow depth and continues down. It is still open at a depth of 3,500 feet. It thus holds out the prospect of starting life as a big and high grade open-pit and subsequently becoming an underground operation.

These are early days, of course, and there will be the question of huge capital raising to be considered. But the British Columbia Government will no doubt be anxious for the development of Windy Craggy to be brought on as soon as possible.

Meanwhile, Falconbridge is expected to announce shortly the results from five new drill holes at the gold discovery made by its subsidiary, New Pascalis Mines, near Val d'Or in north-west Quebec. The drilling is being done by the Quebec Government's Societe Quebecoise d'Exploration Miniere (Soquem) which can earn a 60 per cent interest in the property.

A lively market in New Pascalis shares followed an earlier Soquem hole which assayed 0.2 oz (6.2 grammes) gold per ton over a width of as much as 268 feet. Quebec's Natural Resources Minister is already talking of mine development of the gold property with an initial investment of up to C$100m (£51m).

ROUND-UP

America's loss-making Amax natural resources giant remains in the dividend list with a regular quarterly dividend of 5 cents on the common shares. Because of the continued recession in nickel demand the company is to suspend operations for two months in the summer of this year at the big Port Nickel refinery in Braithwaite, Louisiana. The plant has an annual capacity of 80m lb of refined nickel, 47m lb of copper, 1m lb of cobalt and 100,000 tons of ammonium sulphate.

"An encouraging start to the Consortium's life"

SALIENT RESULTS	32 weeks 30/3/82–2/10/82 £m
Turnover	290.1
Operating profit	18.3
Profit retained in the business	6.3
Earnings per share	128p

Extracts from the Statement by the Chairman, Peter Thompson.

■ By creating a company controlled and owned mainly by employees, we were launching a new kind of industrial enterprise.

■ The rate of trading profit is higher than last year, and has been improving over the period.

■ We are aware of the need to grow the business. There is scope for improving market share in all our markets and this is what we are setting out to do over the next twelve months.

NFC

National Freight Consortium p.l.c.

Copies of the Report and Accounts may be obtained from: The Secretary, National Freight Consortium p.l.c., The Merton Centre, 45 St. Peters Street, Bedford MK40 2UB. The Annual General Meeting will be held at 11.30 am Saturday, February 5th, 1983 at the Birmingham Metropole Hotel, National Exhibition Centre.

IRELAND

US $50,000,000

Floating Rate Notes due July 1992

In accordance with the provisions of the Notes, notice is hereby given that for the six months Interest Period from 14th January 1983 to 14th July 1983 the Notes will carry an interest rate of 9½ per cent. per annum. The relevant Interest Payment Date will be 14th July 1983 and the Coupon Amount per US$500,000 will be US$23,086.35.

Reference Agent

Bank of Tokyo International Limited

Jan, 1983

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PRIVATE PLACING OF 20 MILLION COMMON SHARES WITHOUT PAR VALUE

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CAMBRIAN & GENERAL SECURITIES p.l.c.

Extracts from the Statement by the Chairman, Mr. Ivan F. Boesky.

I am happy to inform you that, although the new investment policy has been in full effect for only a short period of time, we have already begun to see the fruits of that policy. The period since the year-end has seen a further increase in the value of your investments. This performance has resulted from both an absolute increase in the market value of our quoted investments and also the improvement in the value of the U.S. dollar versus Sterling.

	30 Sept. '82 Audited	31 Dec. '82 Unaudited
Net assets	£8.45m	£10.75m
Net asset value per Ordinary share	43.35p	50.23p
Capital share	12.03p	27.30p

Copies of the Report and Accounts are available from The Secretary, Sheffield House, 29 Boltro Road, Haywards Heath, West Sussex RH16 1BW

THE PROPERTY MARKET

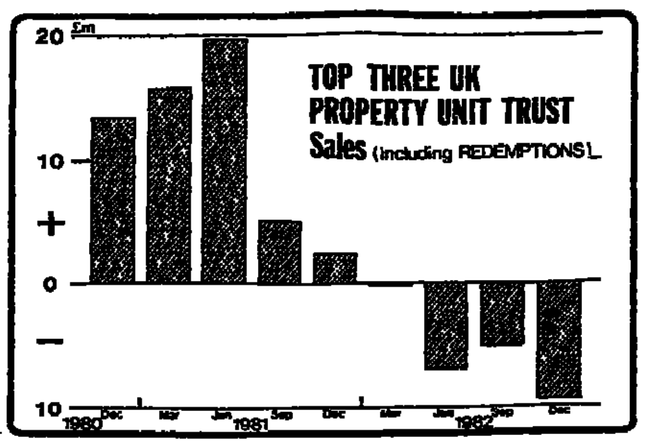
BY MICHAEL CASSELL

Unit trust sales slump

THE BOTTOM fell out of the British property unit trust market last year and prospects for 1983 do not look much brighter.

After record sales in 1981, purchases of new units by investment institutions slumped dramatically last year as funds cut back their spending.

A number of existing investors also sought to reduce their holdings in British-based property unit trusts by redeeming units. This meant that, in 1982, there was substantially more money flowing out of property unit trusts than was being raised by sales of new units.



Sales by the three largest UK property unit trusts — Fleming Property Unit Trust, Pension Fund Property Unit Trust (PFPUT) and Lazard Property Unit Trust — generated just over £10m last year compared with almost £57m in 1981.

In addition, requests for redemptions jumped sharply in 1982 with the result that there was a net outflow from the three largest funds of more than £21m. In 1981 Fleming, PFPUT and Lazard achieved a net inflow of more than £42m.

Fleming, valued at £274m, has overtaken PFPUT (£255m) and is now the largest of the three funds. It was able to escape making redemptions last year by transferring any unwanted units to other unit holders. Nonetheless, sales of Fleming units still collapsed from nearly £34m in 1981 to £6.4m last year. The December quarterly issue raised only £373,000 compared with a record £13.8m only 18 months earlier.

The funds are hoping to see an improvement this year although they admit that prospects for the first half of 1983 are not too encouraging. Any pick up in the economy could, however, lead to a rally.

Peter Archer, surveyor to Lazards, says there have been signs recently that requests for redemptions have slackened. He accepts it is more difficult to forecast when sales might recover but emphasises that, despite last year's disappointing performance, there is "no crisis." Property unit trusts had sufficient reserves to meet redemption requests without resorting to enforced property sales.

"We must accept that if there is a change in sentiment in the property market — as there was in 1982 — it is much easier to sell a unit trust than it is to sell an office block or a factory. Although the dull market is likely to continue in the immediate future, there is a possibility of a rally in the spring if institutions start to feel they have become overweight in gilts," Archer adds.

Sales of new units at Lazards slipped to just over £2.7m in 1982 resulting in a net outflow of more than £6m. At PFPUT — which does not have the customer access available to a merchant bank backed operation — the net outflow last year was £21m.

ANDREW TAYLOR

Aberdeen shopping scheme go-ahead

GREAT Universal Stores and British Rail Pension Funds have finally cleared the way for a £20m shopping scheme in St Nicholas Street, Aberdeen.

The deal represents the culmination of years of effort by GUS Property Management, which owns part of the site and is securing the remaining interests in conjunction with the district council, who will own the freehold.

The scheme adjoins Marks and Spencer and will form a natural link between the existing shopping facilities and the proposed Bredero scheme in George Street. Retailing space will be provided on basement, ground and first floors—involving about 25 shop units and a store for John Menzies—as well as two floors of offices.

The centre should be ready for occupation by Christmas 1984. Edward Erdman represented GUS while Wright and Partners acted for BR. Both are retained as letting agents.

● Total return on the properties contained in the Wood Mackenzie-Richard Ellis investment portfolio sample was about 13 per cent in the year to March 1982, about 4 per cent lower than in the previous year. The decline was mainly attributable to reduced capital growth. The portfolio had an aggregate capital value of just under £4bn.

● Lesser Land has disposed of its 9,000 sq ft office and shop investment at The Broadway, Ealing, to Westminster Nominees, the BAT group pension funds, for a yield in the region of 8 per cent. Strutt and Parker represented BAT and Conway Relf acted for Lesser.

● In what is believed to be one of the biggest industrial or warehouse lettings recently completed in the West Midlands, Chantry-Keys have let 62,000 sq ft of floorspace on the Centre Link estate at Nechells, Birmingham. Rent is thought to be over £2 a sq ft. The scheme has been sold to Scottish Equitable Life.

● Haslemere Estates, in conjunction with Refuge Assurance, has started restoration work on six terraced Georgian houses in Broadwick Street, London, W1. The scheme, to include a new extension at the rear, will offer 31,000 sq ft of offices, and the developers have joined with Barratt to develop a new block of 25 flats alongside.

● British Rail Property Board has instructed Hillier Parker May and Rowden to sell, by tender, six prime, freehold investments in London and the Home Counties.

Garden of the Gods for Rohan

ROHAN, the Dublin-based property development and investment group, is entering the U.S. development market.

After a two-year investigation, the group has established Rohan Colorado, which will operate primarily in Colorado and the western states and take on schemes in every sector of the commercial market.

Rohan is to have an 80 per cent stake in the new company, with the remaining shares held by Donald Beauregard, a local property man. Mr Beauregard will be president and chief executive officer of the Denver-based subsidiary.

The first deal involves the purchase of the so-called Garden of the Gods industrial park—a 63-acre site with full planning permission in Colorado Springs.

Rohan says it does not expect any short-term gains during 1983 but intends to establish a solid base in the growth areas of the United States, so widening its existing geographical spread in Ireland and the United Kingdom.

● The Trustees Savings Bank is to fund a 55,000-sq-ft office building on the site of the former town hall in St Nicholas Way, Sutton, Surrey. It will be developed by McKay Securities and Hillier Parker May and Rowden are letting agents.

Silver lining on the south coast

OPTIMISM over prospects for the industrial property market may now be as hard to find as new tenants but there is a ray of sunshine on the south coast, according to John Vail.

Vail, of south Hampshire agents L. S. Vail, found little room for optimism a few months ago but now appears to be increasingly confident about the outlook for his region.

"The last 12 months have been a very difficult period for industrial property in South Hampshire but there are considerable grounds for optimism, not least because over 25 per cent of the area's manufacturing base is in electronics and electronics engineering," he says.

Vail's recent survey of vacant space in Hampshire revealed a stock of 5.28m sq ft of vacant new and used space in 728 units —a three-fold increase in the past three years. The firm now has instructions to dispose of almost 3m sq ft of that total.

But undeterred by the mountain of available space, he points out that December's total of unlet industrial property was only 2.2 per cent up on the previous June—"the first time that the rate of climb has pulled back."

South Hampshire represents the hub of industrial activity on the South Coast, he says, its charm enhanced by the pending completion of the M27 between points east and west of Southampton. Further ahead, the M3 extension linking Basingstoke, Winchester and Southampton should be finished in four or five years' time.

Meanwhile, the Hampshire County Council has taken a hand by setting up the Hampshire Development Agency — due to be launched officially next month—to promote the county's attractions on a national scale; and the updated South Hampshire Structure plan, published last September, recognises the need to create a suitable seedbed for modern industrial growth.

The area already has a strong presence of big electronics names—IBM, Plessey, Marconi and Thorn/EMI among them—and IBM has just completed a 365,000 sq ft extension to its UK headquarters office building north of Portsmouth. "The Navy was one of the first to be skilled in electronics," says Mr Vail, "and companies were attracted by the ability to recruit people coming out of the service."

Now, he says, there is further support for electronics in a strong faculty at Southampton University—where the dons are commercially minded enough to be developing their own 12-acre research and development scheme.

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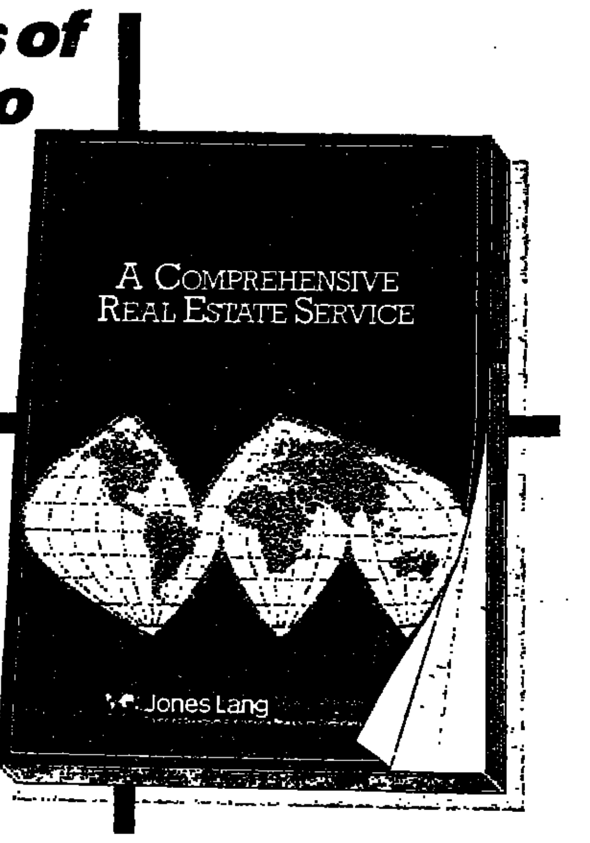

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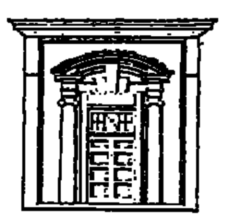

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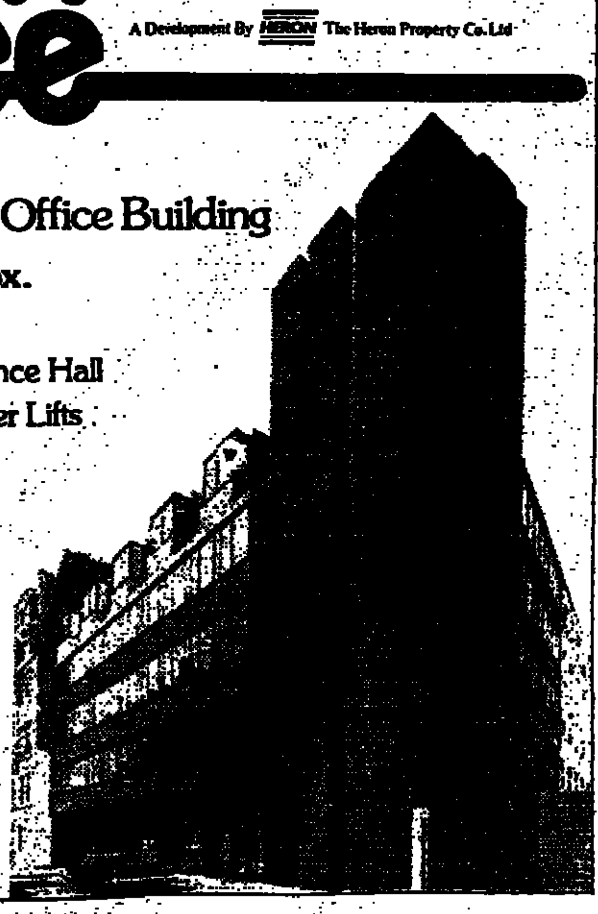

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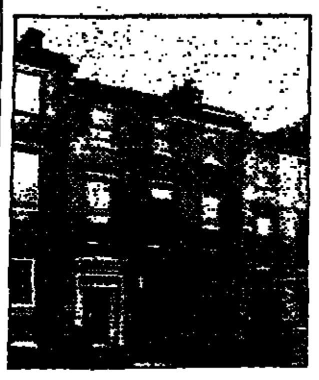

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APPOINTMENTS

Sir John Read to be chairman Central TSB

Mr Andrew Russell, chairman of CENTRAL TRUSTEE SAVINGS BANK for the past three years, is to retire on March 31. He will be succeeded by Sir John Read who joined the board on January 13. Sir John is chairman of the Trustee Savings Banks Central Board. Mr J. Reginald Archer, former chairman of Trustee Savings Bank of Yorkshire and Lincoln, has retired from the board of Central Trustee Savings Bank.

★

SPRECHER AND SCHUH UK has appointed Mr Bill Connell as managing director. He was managing director of Bill Switchgear.

★

Mr Robert Wood has been appointed chairman of JOHN LAING DEVELOPMENT SERVICES, property development arm of the John Laing group, in addition to his existing responsibilities. He succeeds Mr Denis Turner, who remains a board member. Mr Peter Sutcliffe has been appointed director of property services in succession to Mr J. H. Leach, who has retired. This position encompasses property development and the group's existing property holdings. Mr Stephen Wainwright has also joined the board of John Laing Development Services.

★

Professor George P. McNicol, principal of Aberdeen University has been appointed a member of the Aberdeen local board of the BANK OF SCOTLAND.

★

Mr Gordon Phillips has been appointed group managing director of AULT AND WIBORG GROUP. Mr Phillips joined the group in 1973 as operations director of Ault and Wiborg Paints. He was appointed managing director of that company in 1976 and was appointed a main board director in 1977.

★

Sir John Hoskyns has been appointed a director of CLERICAL MEDICAL AND GENERAL LIFE ASSURANCE SOCIETY. He was until recently head of the Prime Minister's Policy Unit.

★

Mr Michael Bromhead, who was appointed deputy managing director of EMI Films last year, will continue to manage worldwide sales and distribution of THORN EMI FILMS. Mr Nat Cohen becomes an executive consultant. Ms Verity Lambert is confirmed as director of production of Thorn EMI Films with responsibility for worldwide film production. Mr Bob Mercer, as director of creative development, will work closely with Ms Lambert and will continue to be responsible for film project development. Mr Michael Bulst — following the retirement of Mr David Jones—becomes head of advertising and publicity worldwide and remains a director of Thorn EMI Film Distributors.

Mr Richard Milnes is appointed vice-president, marketing acquisitions of Thorn EMI Films Inc based in Beverly Hills. He will continue as a director of Thorn EMI Film Distributors. Ms Norma Jackson is appointed executive vice-president of Thorn EMI Films Inc with responsibility for business affairs and will continue to operate from the company's base in Beverly Hills.

★

Mr G. F. Brownlee has been appointed an assistant director of C. E. HEATH AND CO (AVIATION).

★

Mr Reg Bevis, an associate director of NURDIN AND PEACOCK retires on January 14. Mr Geoffrey Beer has been appointed an associate director.

★

Mr Brian Dice has been appointed managing director of SCHWEPPES, principal UK drinks subsidiary of Cadbury Schweppes. The appointment takes effect from April, when he succeeds Mr Wyn Price-Davies, who is retiring. Mr Dice has been a member of the board of Cadbury Schweppes since 1979 and is currently responsible for the company's business in Africa, Asia and New Zealand.

★

GKN STEELSTOCK has made four senior appointments: Mr Harry Dodd becomes financial controller and joins the board. Mr Tony Leggett becomes director, flat rolled products, and Mr Paul Patchett is confirmed as director, general products. Mr Stephen Russell has become sales and marketing director and director, stainless steels. Mr Dodd keeps his position as company secretary. Mr Leggett has been director and general manager of Steelstock's Sparrow north east division at Hebburn; Mr Patchett has been product group director designate, general steels, and national contracts director; and Mr Russell has been director and general manager, Glasgow division.

★

Mr J. A. Hodges and Mr A. Thomson have been appointed directors of CHARNOS.

★

RTC has acquired controlling interest in Leadenhall International and Mr Peter Meredew has joined the board.

★

Mr Robert Dillon has been appointed managing director of WESTERN UNION PRIORITY MAIL and will continue as managing director of Western Union Communications Consultants. Mr Jack McWilliam has been appointed to the new post of director of business development for Western Union Priority Mail.

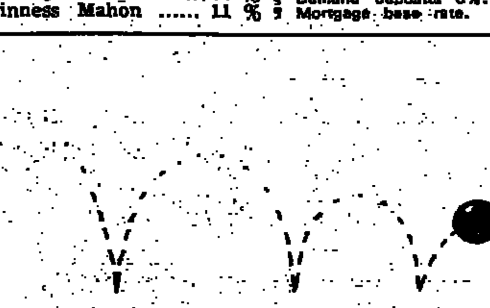
★

Mr Colin Morrison has been appointed deputy managing director of IPC CONSUMER INDUSTRIES PRESS.

BASE LENDING RATES

A.B.N. Bank	11 %	Gulf G'tee Trust Ltd.	12 %
Allied Irish Bank	10 %	■ Hambros Bank	11 %
Amro Bank	11 %	Hargrave Secs. Ltd.	11 %
Henry Ansbacher	11 %	Heritable & Gen. Trust	11 %
Arbuthnot Latham	11 %	■ Hill Samuel	§11 %
Armco Trust Ltd.	11 %	C. Hoare & Co.	†11 %
Associates Cap. Corp.	10 %	Hongkong & Shanghai	11 %
Banco de Bilbao	11 %	Kingsnorth Trust Ltd.	12 %
Bank Hapoalim BM	11 %	Knowsley & Co. Ltd.	11½%
BCCI	11 %	Lloyds Bank	11 %
Bank of Ireland	11 %	Mallinhall Limited	11 %
Bank Leumi (UK) plc	11 %	Edward Manson & Co.	12 %
Bank of Cyprus	11 %	Midland Bank	11 %
Bank Street Sec. Ltd.	10½%	■ Samuel Montagu	11 %
Banque Belge Ltd.	11 %	■ Morgan Grenfell	11 %
Banque du Rhone	12 %	National Westminster	11 %
Barclays Bank	11 %	Norwich Gen. Tst.	11 %
Beneficial Trust Ltd.	12 %	P. S. Refson & Co.	11 %
Bremar Holdings Ltd.	12 %	Roxburghe Guarantee	11½%
Brit. Bank of Mid. East	11 %	Royal Trust Co. Canada	11 %
■ Brown Shipley	11 %	Slavenburg's Bank	11 %
Canada Perm't Trust	11½%	Standard Chartered	‖11 %
Castle Court Trust Ltd.	11½%	Trade Dev. Bank	11 %
Cayzer Ltd.	11 %	Trustee Savings Bank	11 %
Cedar Holdings	10 %	TCB	11 %
■ Charterhouse Japhet	11 %	United Bank of Kuwait	11 %
Choulartons	11½%	Volkskas Intl. Ltd.	11 %
Citibank Savings	¶9 %	Westpac Banking Corp.	11 %
Clydesdale Bank	11 %	Whiteaway Laidlaw	11½%
C. E. Coates	12 %	Williams & Glyn's	11 %
Comm. Bk of N. East	11 %	Wintrust Secs. Ltd.	11 %
Consolidated Credits	11 %	Yorkshire Bank	11 %
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12½%		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%. 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8¾%, £50,000 and over 9¼%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.



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Some farm loans to cost more

THE AGRICULTURAL Mortgage Corporation has increased its interest rates to new borrowers with effect from today.

New variable rate borrowers will be charged 12.5 per cent, up from 11.5 per cent, and new fixed rate borrowers 15 per cent, up from 14 per cent.

Existing variable rate loans will remain at 11.5 per cent until March 1, for quarterly reviewable loans, or June 1, for half-yearly reviewable loans.

● WEST GERMANY said it would ban the import of seal pup skins from March 1 unless the EEC negotiated a voluntary ban with Norway and Canada by then, although ministers in Bonn still hope for a Community solution which would remove the need for national measures.

EEC ministers, under pressure from a strong environmentalist lobby, agreed last month to hold talks with producer countries on an end to the culling of seal pups. They also pledged that no member would allow imports of seal products before March 1, when the new culling season is due to begin. In the meantime, experts were to produce a report on the effects of the annual cull.

● EAST GERMANY'S total grain crop in 1982 was a record 10.01m tonnes against 8.9m in 1981 and the previous record of 9.8m in 1978, the U.S. Agriculture Depatment said in a report. The report said feed grain production was less than planned, but bread grain output exceeded expectations and grain quality was above average.

● BANGLADESH Jute Mills Corporation (BJMC) said it earned $133m of foreign exchange in the first half of fiscal 1982/83 ended December 31, a 10.18 per cent increase on the year ago period. BJMC, which represents 68 jute mills, said margins would reach "respectable" levels by the end of 1983 if present trends continue.

Danish foot and mouth suspected

BY HILARY BARNES IN COPENHAGEN

A FARM on the Danish island of Funen was isolated on Wednesday and the Funen slaughterhouse Expo-Fyn stopped taking delivery of pigs for slaughter because of a suspected outbreak of foot and mouth disease.

Initial tests were inconclusive and the conclusive results of new tests would be known last night, said the state's veterinary directorate. Meanwhile, no chances were being taken and precautionary measures went into force in the area of the suspected outbreak on the assumption that there is a case of foot and mouth.

The suspected case is on a farm with 75 dairy cattle at Fraugde, east of the city of Odense.

There was an outbreak of foot and mouth in Denmark during March and May last year, which started on Funen. Over 20 farms were affected and about 4,000 pigs and cattle were destroyed. The Japanese and U.S. markets were closed to imports of Danish pigmeat and the U.S. market has not yet been reopened.

● British bacon prices will be cut next week in a bid by producers to halt falling sales, according to the British Bacon Bureau, a correspondent writes.

Producers yesterday agreed to cut wholesale prices by £70 a tonne. This is equivalent to a little over 3p a pound if averaged over a whole side of bacon but a bureau official said the price of some cuts, gammon joints and rashers could be 15p to 20p a pound cheaper in the shops next week than in the period just before Christmas.

U.S. ponders dairy surplus disposal

DALLAS — The U.S. Agriculture Department has under consideration numerous options to dispose of the huge government-owned surplus of dairy products, according to Mr Glenn Tussey, international trade specialist at the American Farm Bureau Federation.

At the farm group's annual meeting here, he said proposals being considered included selling dairy products to the highest bidder and letting them export the commodities to whoever would purchase them, selling butter to Eastern Europe, the Middle East or to the Soviet Union.

He said other options included giving or selling at a reduced price "bonus butter" to countries that purchase other U.S. commodities, bartering dairy products for other commodities such as oil from Mexico, and donating dairy products to developing countries.

Mr Tussey said he does not expect a decision on disposing of the U.S. dairy stockpile until USDA completes a study on world export subsidies in March.

In Paris meanwhile Mme Edith Cresson, the French Agriculture Minister, accused the U.S. of exporting its economic crisis and said its new farm policies were motivated by domestic political concerns.
Reuter

Speculators boost cocoa

By Our Commodities Staff

COCOA VALUES climbed to 12-month highs on the London futures market yesterday as speculative buying was attracted by the firm overnight tone in New York, publication of a mildly constructive West German cocoa bean grinding figure for the final quarter of last year and the announcement of low deliveries by Ghanaian producers so far this year.

The May position reached £1,198 a tonne at one time, before ending the day £18 up at £1,189.50 a tonne.

Meanwhile the Ghana Cocoa Marketing Board announced that cumulative bean purchases for the first nine weeks of the current season amounted to 123,421 tonnes, sharply down from last year's 167,400 tonnes.

Nervous trading in copper

COPPER LED a general rise in base metals prices on the London Metals Exchange yesterday as prices continued to fluctuate widely in highly nervous trading conditions.

The marked strength of gold and platinums in initial dealings encouraged heavy chart-based speculative buying which took three-months high grade copper up to £1,060 a tonne. After alternating bouts of profit-taking and renewed buying, the three months position ended near the day's low at £1,035 a tonne on the kerb. The cash quotation closed, nevertheless, at a 16-month high of £1,007.75 a tonne.

Cash standard tin ended the day £90 up at £7,602.50 a tonne, the highest level since early September. Dealers attributed this mainly to chart-based speculative buying.

FARMER'S VIEWPOINT

The pig breeders' lament

COMPARED with the same period last year the UK fresh meat trade, with the exception of beef, is in the doldrums and shows no signs of improvement.

Those producing fresh pork are particularly hard hit. Returns are at least 10 per cent lower at the farm gate. Market prices for lamb are at least 20 per cent down on last year, but here the farmer does not suffer. His returns are guaranteed by a target price. The difference between the market price and target price is made up by a premium paid by the EEC farm fund.

Most pig farmers affected by the lower prices are blaming the EEC lamb regime set up two years ago. This they say works so that farmers really don't have to study marketing. All they have to do is to see that the lambs will pass the Ministry graders so that they can earn the premium, which this week will amount to more than 40 per cent of total returns. They cannot see why sheepmeat this week should be guaranteed at 210p a kilo, while the very imperfect guarantee for pig meat should be about half that.

And as a guarantee the pig scheme is not very secure. Broadly it provides for a minimum import price of 109p a kilo at which it is effectively keeping out supplies, plus provision for subsidised storage which as a means of price maintenance in this country is not very efficient to say the least.

Slaughterings are at about last year's level, so pig farmers cannot be blamed for flooding the market. Although there are signs that the breeding herd is increasing slowly, the increased output has yet to come on stream. Lamb slaughterings are showing an increase of perhaps 5 per cent or 6 per cent.

This is more significant than the figures indicate. At this period last year a considerable tonnage was being exported, mainly to France. Exports have been much restricted this year because of the levy incurred which is equivalent to the premium being paid for the week in which it is exported.

The main market influence is undoubtedly the stock of New Zealand lamb. This is believed to be at least 50,000 tonnes and is the result of difficulties encountered when exporting to Iran last year. New Zealand has in any case sent in between 30,000 and 40,000 tonnes more lamb over the last 12 months, which she is allowed to do under the terms which were agreed when the EEC sheep regime was established.

Until this surplus stock can be disposed of, it will overhang the market. The New Zealanders claim that it is an unusual occurrence, and that now that they have secured the agreement of the Iranians to a new trade deal with the possibility of sales to Iraq as well they will not need to use the British market as a safety valve.

The New Zealand situation is very serious. There are difficulties in many of the markets which were being opened up and the government has taken over, and is financing, the procurement and marketing of meat to counter the extreme difficulties the industry is facing.

Not all pig farmers are as badly affected as those selling pork. Those producing bacon pigs and heavier pigs, while suffering some reduction in price, have not seen their returns dropping quite so far. But if pork farmers kept their pigs to heavier weights, undoubtedly these prices would suffer too.

Under normal economic circumstances, a fall in pig profitability would undoubtedly affect the price of cereals. But not any more. Nearly 4m tonnes of wheat and barley have either been exported or put into intervention to maintain market prices. Pig farmers would dearly like to buy some of this at the discounted prices available to the world's importing countries, but this is not allowed by the EEC.

Pigs always used to be notorious for cyclical production and profitability. But this was at a time when the industry was made up of very many small producers who moved in and out of production as prices altered. Now businesses are much bigger with the average herd of 100 sows and numbers are not so responsive to market fluctuations. The NFU has a vague proposal for a sort of balancing fund, but its main attitude seems to have been well illustrated by Mr Chris Righton the unions' deputy president who, in a recent speech, while accepting that pig farmers were having a rough time, claimed that cheaper cereals would only be of transient beenfit. "Remedies are to be found in measures to improve the competitive position of intensive producers and their market returns in the longer term," he said.

John Cherrington

Nicaragua signs coffee and sugar deal

BY TIM COONE IN MANAGUA

NICARAGUA has recently signed a five-year agreement to supply Algeria with $25m (£10m) worth of sugar and coffee a year, according to Dr Alejandro Martinez, the Foreign Trade Minister. He also said a five-year contract to supply Libya with between $7m-$10m of coffee annually was under discussion. Talks on new short-term coffee and sugar contracts with Malta and Iran had also been successful.

Coffee and sugar are two of Nicaragua's main exports, bringing in $134m and $36m respectively in foreign exchange in 1982. Dr Martinez believed that the country's attempts to diversify its export markets had been highly successful over the past few years, especially in the Middle East and Eastern Europe. He said: "We must seek buyers who are not guided by political priorities." He believed that Western Europe was also a large potential market which would not be limited by political considerations.

Nicaragua is at present constructing a $250m sugar cane processing plant at Molocotoya, with West and East European assistance, which when operational in 1984 will produce 110,000 tonnes of sugar a year for export. Nicaragua's main sugar outlet was formerly the U.S., but with the reduction of its export quota to 50,500 tonnes last year is now finding important buyers such as Mexico, the USSR, Iran, Bulgaria and Venezuela. Dr Martinez said that all of the output of the Molocotoya project was contracted for sale up until the end of 1987.

PRICE CHANGES

In tonnes unless stated otherwise	Jan. 13 1983	+ or —	Month ago
Metals			
Aluminium	$810/815	......	£810/815
Free Mkt	$1050 1080	......	$870/1000
Copper			
Cash h grade	£1007.75	+12.75	£897
3 mths	£1040.5	+15.25	£916.75
Cash Cathode	£969.5	+13	£855
3 mths	£1000.5	+15.75	£880
Gold troy oz	$487.5	+6	$438
Lead Cash	£307.5	+2	£269
3 mths	£320.25	+2.5	£279.75
Nickel	£4584	......	£4153.5
Free mkt	178-208c	......	180/190c
Platin'm tr'y oz	£294	......	£260
Freemkt	£301.25	+8.55	£220.55
Quicksilvert	$345/355	+15	$380/385
Silver troy oz	790.15p	+24.4	648.15p
3 mths	811.60p	+25.4	664.15p
Tin Cash	£7602.5	+90	£7440
3 mths	£7615	+81.5	£7437.5
Tungsten	$92.25	......	$102.80
Wolfrm 22.04 lb	$78/82	......	$78/82
Zinc Cash	£442	+7	£408.75
3 mths	£468	+9.25	£421
Producers	$800	......	$860

	Jan. 13 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$445z	+2.5	$445
Groundnut	$460x	+5	$460
Linseed Crude	£316	......	£310
Palm Malayan	$370y	......	$377.5
Seeds			
Copra Philip	$305x	+6	$290
Soyabean (U.S.)	$245	+5	$257.5
Grains			
Barley Fut. Mar	£115.45	+0.65	£114.30
Maize	£147.00	+0.5	£144
Wheat Fut. Mar	£122.10	+0.35	£119.65
No.2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1210	+21	£1056
Future May	£1189.5	+18	£1025.5
Coffee Ft' Mar	£1618.5	+14	£1525.5
Cotton A Index	71.55c	−0.1	69.70c
Gas Oil Feb	$269.25	−1.75	$287.75
Rubber (kilo)	54.5p	+1.25	49.75p
Sugar (Raw)	£95x	−1	£99
Woolt'ps 64s kl.	384p kilo	+6	372p kilo

‡Unquoted. yFeb. xJan-Feb. zFeb-Mar. †Per 76 lb flask. *Ghana cocoa. nNominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	30.50-31.00	−0.10
Iranian Light	29.00-29.50	......
Arabian Heavy	27.80-28.00	−0.10
North Sea (Forties)	30.75-30.80	−0.15
African (Bonny Li'ht)	31.65-32.00	−0.05
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	298-305	......
Gas oil	276-285	−2.0
Heavy fuel oil	164-169	......

GAS OIL FUTURES

The market was directionless, opening slightly lower, steadying up to unchanged and then remaining around these levels, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Jan	278.50	−1.50	280.00-78.50
Feb	269.25	−1.75	271.50-69.00
March	263.00	+0.75	263.70-60.75
April	258.00	−0.50	258.50-57.00
May	255.00	−1.00	258.25-54.50
June	255.00	−0.50	256.00-55.00
July	255.50	—	—
Aug	255.50	+0.50	—
Sept	257.00	+1.00	257.00-54.75

Turnover: 1,812 (1,359) lots of 100 tonnes.

GOLD MARKETS

Gold rose $6 to $487-488 on the London bullion market yesterday, the highest since May 1981. It opened at $492¼-$493¼, and was fixed at $491 in the morning, and $488.25 in the afternoon. The metal touched a peak of $493-494, and a low point of $486¼-487¼.

In Paris the 12½ kilo gold bar was fixed at FFr 104.55 per kilo ($489.86 per ounce) in the morning, compared with FFr 102,800 ($470.73) Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 37,035 per kilo ($492 per ounce), against DM 36,555 ($483.97) previously, and closed at $487-488, compared with $480-482.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $489.25 per ounce, against $485.00 on Wednesday.

In Zurich gold finished at $487-490, compared with $480-$483.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
January	486.00-87.5	—	—
February	490.00-90.2	+7.000	495.90-87.5
[illegible]	[illegible]	[illegible]	[illegible]

Turnover: 1,186 (1,185) lots of 100 troy oz.

	Jan. 13		Jan. 12	
Gold Bullion (fine ounce)				
Close	$487-488	[illegible]	$480-482	[illegible]
Opening	$492¼-493¼	[illegible]	[illegible]	[illegible]
Morning fixing	$491	[illegible]	[illegible]	[illegible]
Afternoon fixing	$488.25	[illegible]	[illegible]	[illegible]
Gold Coins Jan. 13				
Krugrnd	$502-503	[illegible]	King Sov	[illegible]
½ Krug	[illegible]	[illegible]	Victoria Sov	[illegible]
¼ Krug	[illegible]	[illegible]	French 20s	[illegible]
1/10 Krug	[illegible]	[illegible]	50 pesos Mex	[illegible]
Mapleleaf	[illegible]	[illegible]	100 Cor. Aust	[illegible]
New Sov	[illegible]	[illegible]	$20 Eagles	[illegible]

EUROPEAN MARKETS

ROTTERDAM, January 13.

[illegible]

BRITISH COMMODITY MARKETS

BASE METALS

COPPER PRICES continued to move erratically in extremely volatile trading. Forward metal raced ahead to £1060 in early pre-market trading, boosted by the rise in precious metals. By the afternoon the price had fallen back sharply to the £1,034 level following sizeable profit-taking. Other metals also gained ground with Lead finally £319.5, Zinc £470 and Aluminium £699.5. Tin rose to £7,595 and Nickel to £2,520, after £2,560.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
HighGrade	£	£	£	£
Cash	1008-9	+27	1007.5-8	+12.7
3 months	1040.5-1.5	+28.5	1040-1	+15.2
Settlem't	1009	+27	—	......
Cathodes				
Cash	970-1	+29	969-70	+13
3 months	999-1001	+28.5	1000-1	+15.7
Settlem't	971	+29	—	......
U.S. Prod.	—	—	*74-74	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,042, 43, 44, 43, 42, 41, 40, 39, 38, 37, 36, 37, 38, 39, 39.5, 40, 40.5, 40, 30.5, 40, 41. Cathodes: Cash £970. Kerb: Higher Grade: three months £1,042, 43, 45, 46, 48, 49, 50, 51, 50. Afternoon: Higher Grade: three months £1,045, 44, 43, 42, 42.5, 43, 42, 40, 41, 40.5, 40. Cathodes: Three months £1,000. Kerb: Higher Grade: Three months £1,040, 39, 38, 37, 34, 33.5, 35, 36, 35.5, 35. Turnover: 51,375 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	[illegible]	[illegible]
Standard				
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	[illegible]	[illegible]
Straits E.	[illegible]	[illegible]	[illegible]	[illegible]
NewYork	[illegible]	[illegible]	[illegible]	[illegible]

Tin—Morning: Standard: Three months [illegible]. Kerb: Standard: Three months [illegible]. Turnover: 1,875 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	[illegible]	[illegible]
U.S. Spot	[illegible]	[illegible]	[illegible]	[illegible]

Lead—Morning: [illegible] Turnover: 12,575 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	[illegible]	[illegible]
Primw'ts	[illegible]	[illegible]	[illegible]	[illegible]

Zinc—Morning: [illegible] Turnover: 17,075 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]

Aluminium—Morning: [illegible] Turnover: 26,925 tonnes.

Nickel—Morning: [illegible]

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	2445-50	+57.5	2445-55	+23
3 months	2525-30	+55	2525-30	+31

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed [illegible] higher for spot delivery in the London bullion market yesterday at 790.15p. U.S. equivalents of the fixing levels were: spot $12.435, up 33.8c; three-month $12.692, up 35.4c; six-month $12.942, up 36.4c; and 12-month $13.492, up 38.2c. The metal opened at 800-802p (12.62-12.67) and closed at 787-789p ($12.43-12.48).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	790.15p	+24.4	788p	+20.5
3 months	811.60p	+25.4	811p	+21.5
6 months	832.15p	+25.7	—	......
12 months	874.70p	+28.1	—	......

LME—Turnover 135 (161) lots of 10,000 ozs. Morning: Three months 816.0, 15.5, 15.0, 15.5, 16.0, 17.0, 17.5, 18.0, 19.0. Kerb: three months 820.0. Afternoon: three months 809.0, 09.5. Kerb: three months 810.0, 08.0, 10.0.

COCOA

Futures continued to forge ahead before easing slightly on light profit-taking during the afternoon. Producers made limited scale-up sales but were generally reluctant to meet the market for major quantities of cocoa, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]

Sales: 5,809 (2,845) lots of 10 tonnes. ICCO—Daily price for Jan 13: [illegible]. Indicator price for Jan 14: [illegible].

COFFEE

[illegible]

COFFEE	Yest'day's Close	+ or —	Business Done
January	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]
January	[illegible]	[illegible]	[illegible]

Sales: [illegible]

GRAINS

[illegible]

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Jan	120.40	[illegible]	114.40	[illegible]
Mar	122.10	[illegible]	115.45	[illegible]
May	125.60	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sep	[illegible]	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]	[illegible]

Business done—[illegible]

HGCA—Locational ex farm spot prices. [illegible]

LONDON GRAINS—[illegible]

POTATOES

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
Feb	69.20	66.80	69.20-67.00
April	86.50	83.60	87.00-83.90
May	90.50	86.90	91.00-87.20
Nov	67.50	67.80	—
Feb.	76.30	76.50	—

Turnover: 654 (752) lots of 40 tonnes.

RUBBER

The London physical market opened about unchanged, attracted fair commission house buying and closed firm. Lewis and Peat reported a February fob price for No 1 RSS in Kuala Lumpur of 187.75 (184.5) cents a kg and SMR 20 172.0 (170.5).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
Feb	547-555	531-540	—
Mar	554-560	537-542	—
Apl-Jne	568-569	551-552	570-553
Jly-Sept	588-589	571-572	591-570
Oct-Dec	606-607	590-591	608-591
JanMch	626-627	609-610	628-620
Apl-Jne	647-648	631-634	648-635
Jly-Sept	670-672	654-655	671-665
Oct-Dec	693-696	675-684	—

Sales: 1,034 (243) lots of 15 tonnes, nil (8) of 5 tonnes.

Physical closing prices (buyer) were spot 54.50p (53.25p); Feb 56.00p (55.25p); March 56.75p (56.00p).

SOYABEAN MEAL

The market opened £1 higher on light mixed buying, reports T. G. Roddick, and remained steady on commission house interest.

	Yesterdy's Close	+ or —	Business Done
	£ per tonne		
Feb	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]

Sales: [illegible]

SUGAR

LONDON DAILY SUGAR—Raw sugar [illegible]

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]

Sales: 5,096 (4,805) lots of 50 tonnes. [illegible]

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—[illegible]

SYDNEY GREASY WOOL—[illegible]

COTTON

LIVERPOOL—No spot or shipment sales were reported. [illegible]

MEAT/FISH

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 94.46p per kg lw (−2.48). GB—Sheep 151.09p per kg est dcw (+1.61). GB—Pigs 66.92p per kg lw (+4.13).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 83.6-87.5; Ulster hindquarters 98.0-103.3. Veal: Dutch Hinds and Ends 141.0-144.5. Lamb: English small 68.0-72.0, medium 64.0-68.0, heavy 59.0-61.0; Scotch heavy 61.0-63.0; Imported—New Zealand PL 61.0-61.5, PM 60.0-61.0, YL 49.0-49.0. Pork: English, under 100 lb 38.0-51.0, 100-120 lb 39.0-50.0, 120-160 lb 36.0-47.0.

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £6.80-7.80, codlings £5.00-6.00; large haddock £7.00-7.40, medium £5.50-6.00, small £5.50; large plaice £6.00-6.80, medium £5.30-6.00, best small £4.20-5.80; lemon sole (large) £15.00, medium £12.00; rockfish £2.20-4.10; reds £1.80-2.00, saithe £2.80-3.10.

INDICES

FINANCIAL TIMES

Jan. 12	Jan. 11	M'th ago	Y'ar ago
247.21	244.79	232.15	247.71

(Base: July 1 1952 = 100)

REUTERS

Jan. 13	Jan. 12	M'th ago	Y'ar ago
1616.8	1603.6	1569.2	1618.0

(Base: September 18 1931 = 100)

MOODY'S

Jan. 12	Jan. 11	M'th ago	Y'ar ago
1030.9	1032.8	999.2	999.5

(December 31 1931 = 100)

DOW JONES

Dow Jones	Jan. 12	Jan. 11	Month ago	Year ago
Spot	[illegible]	[illegible]	[illegible]	[illegible]
Fut's	[illegible]	[illegible]	[illegible]	[illegible]

(Base: December 31 1974 = 100)

COVENT GARDEN—[illegible]

AMERICAN MARKETS

NEW YORK, January 13.

Heating oil prices moved within a narrow range of the previous close as traders were apprehensive about the delay in the report of distillate stocks. Weaker cash gold prices attributed to Soviet sales in Switzerland put the futures market under pressure which eventually led to stop-loss selling. Silver traded moderately lower in sympathy with gold but closed with net gains. Cotton prices were unchanged to fractionally higher as chart buying and trade support in the distant months reflected the trade interpretation of the payment-in-kind programme effectiveness for new crop months. Sugar prices advanced moderately after new contract lows were recorded early in the day; buying originated mostly with dealers and local traders. Cocoa finished firm despite some origin selling; higher West German grind figures and arbitrage buying contributed to the better tone. Coffee prices came under heavy pressure as the market failed to follow up on the strength in London; profit-taking put the market into a decline from which the market never recovered. Soyabeans were fractionally lower in a market looking for a direction. Maize finished lower on heavy country selling following the strong bans in interior markets. Wheat was strong with heavy technical and professional buying responding to positive chart patterns, reported Heinold.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	1670	1679	1647	1670
May	1710	1725	1690	1697
July	1730	1748	1720	1735
Sept	1758	1775	1750	1765
Dec	1795	1800	1790	1800
March	1850	1850	1832	1835

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
March	128.16	130.50	128.10	129.87
May	123.62	125.80	123.60	124.75
July	120.45	122.00	120.45	121.75
Sept	118.25	119.75	118.00	118.83
Dec	115.90	117.30	116.25	116.35
March	114.51	115.25	115.00	114.38
May	112.00	113.00	113.00	112.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Jan	72.75	73.40	72.60	73.65
Feb	73.10	—	—	74.00
March	73.75	75.10	73.65	74.65
May	74.80	76.00	74.70	75.70
July	75.85	77.05	75.70	76.70
Sept	76.80	78.10	76.70	77.65
Dec	78.05	79.30	78.00	79.00
March	79.45	80.95	79.70	80.40
May	80.40	81.60	80.50	81.35
July	[illegible]	[illegible]	[illegible]	[illegible]

COTTON 50,000 lb, cents/lb

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SPOT PRICES—[illegible]

CHICAGO

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	6.17	6.21	6.06	6.10
May	6.61	6.63	6.44	6.49
July	6.95	6.95	6.81	6.86
Sept	7.28	7.37	7.19	7.23
Oct	7.53	7.60	7.46	7.49
March	8.53	8.62	8.53	8.58
May	8.85	8.90	8.90	8.90

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Feb	60.85	61.47	60.55	60.90
April	61.77	61.97	61.10	61.30
June	63.12	63.37	62.55	62.75
August	61.55	61.70	61.15	61.27
Oct	59.87	60.17	59.65	59.62
Dec	61.37	61.50	61.00	61.25

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Feb	58.80	58.90	57.67	57.92
April	56.80	56.90	54.40	54.60
June	59.65	57.00	55.70	55.95
July	56.50	56.55	55.56	55.70
August	54.55	54.60	53.87	53.92
Oct	50.35	50.40	49.60	49.87
Dec	49.50	49.90	49.15	49.65
Feb	48.50	49.00	48.50	49.12

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Dow closes 9.66 lower

A ROUT in the blue-chip stocks weighted the market down, but trading was slow as nervous investors moved to the sidelines to see how far down prices may go.

The Dow Jones Industrial Average rose more than four points during the morning but then slid for the rest of the day to finish down 9.66 points at 1,073.95. The rest of the market did not perform as badly as the blue chip barometer, however, and declines led advances by only three to two.

Volume slumped to some 77m shares from 109.85m.

* * *

AT MIDSESSION the average was off 2.58 points at 1,081.03; the New York Stock Exchange all-common index was down 27 cents at $84.38.

Automobile stocks lost ground, despite increases in early January car sales reported by Ford and General Motors. Ford fell $1⅛ to $38⅜ and General Motors lost $⅞ to $64⅛.

THE AMERICAN SE Market Value index was off 0.82 at 366.79 on volume of 6.21m shares.

Canada

Toronto stocks turned lower at midsession, with resource issues suffering the largest decline. The Composite index dipped 10.0 points to 2,071.3 on volume of 6.07m shares. Losers led gainers 256 to 240.

Of the 14 major stock groupings, only three were higher. Golds and Oil and Gas were sharply lower.

Gold Mining issues were weaker. Little Long Lac was off $2 at $37, Agnico Eagle eased $⅛ to $19⅛, Campbell Red Lake slipped $⅛ to $35, and Camflo Mines lost $⅛ to $17⅛.

On the active list, Dome Petroleum declined 5c to $4.45, Noranda was off $⅛ at $22⅛, Alcan was off $⅛ at $36⅜ and Inco slipped $⅛ to $16⅛.

Tokyo

Bargain hunters pushed shares higher over a broad front after three days of declines, with sentiment encouraged by the yen's recovery against the dollar and overnight steadiness on Wall Street, dealers said.

The Nikkei-Dow Jones Market Average rose 59.21 to 8,089.06 in active trading of 700m shares. The Tokyo Stock Exchange index rose 4.06 to 592.95. Blue Chips gained ground after a mixed opening, with Hitachi adding Y41 to Y821. Other Electricals also gained.

Paper/Pulps, Chemicals, Drugs and other low-priced domestic industry issues were also bought selectively, but Non-Ferrous metals ended mixed.

Large capital issues such as Steels, Shipbuilders and Trading Houses were also favoured with Ishikawajima Harima Heavy Industries up Y5 to Y170, Sumitomo Metal Y3 to Y165 and Marubeni Y8 to Y300.

Despite the yen's recovery, Oils and Electric Power companies were mixed, and the second market closed lower.

Germany

Share prices fell on profit-taking as operators focused on uncertainty about the outcome of the March general election. Some issues lost as much as DM 8.50, with most closing near or at the day's lows, dealers said.

The Commerzbank index closed 12.9 lower at 745.9. Linde was one of the market's weakest features, closing DM 8.50 lower at DM 307.50, while elsewhere in Engineerings, KHD fell DM 7 to DM 196.50 and Mannesmann DM 2.60 to DM 143.

Banks saw Deutsche fall DM 6.10 to DM 262.50. Dresdner was DM 3.20 lower at DM 137.80 and Commerz DM 3.30 down at DM 129.70, while Pharmaceutical Schering dropped DM 7 to DM 300.

In Cars, Daimler lost DM 5.50 at DM 328.50, VW DM 1.50 to DM 144 and BMW DM 1.20 to DM 224.50. Leading Chemicals saw Basf fall DM 2.10 to DM 120.10, Hoechst DM 0.70 to DM 112.20 and Bayer DM 0.30 to DM 113.

In Metals, a strong feature recently, Degussa fell DM 5 to DM 242, Preussag DM 2 to DM 215.50 and Metallgesellschaft DM 1 to DM 228. Electricals had Siemens DM 3.40 off at DM 250.70, while Energies saw RWE lose DM 3.20 to DM 189 and Veba DM 2.70 to DM 139.20.

In Stores, Kaufhof shed DM 6.80 to DM 195.20 and Horten DM 2 to DM 115, while Steels had Kloeckner DM 2.50 lower at DM 34 and Thyssen DM 1.30 down at DM 70. Builder Holzmann fell DM 8 to DM 492.

Paris

Share prices advanced across a broad front in moderately active trading as investors responded bullishly to the dollar's softer tone and rumours of another reduction in the U.S. Federal Reserve discount rate.

The market indicator was up 1.21 per cent at the close, with advances outpacing declines by 109 to 63 in the French section.

Oil issues scored the biggest gains with a weaker dollar expected to ease pressure on France's ailing refining industry. French oil companies have been hard pressed to keep pace with the sharp appreciation of the dollar, the medium of exchange on the international oil market, while the franc continues its downstrend.

CFP was the session's strongest performer, closing up 10 per cent at FFr 142.50. Elf Aquitaine advanced 6 per cent to FFr 119.50.

Banks, Finances, Foods, Autos, Stores, Electricals and Constructions also advanced. Chemicals closed lower.

Hong Kong

The Hong Kong stock market continued its halting rally. It finished higher, but below the day's best levels.

The Hang Seng index roared ahead at the opening, but started to fall within minutes, brokers said. A 20-point gain after the first hour was trimmed back to 18 points at midsession. By the close, it was up by 10.43 at 870.32.

Analysts described the session as a positive one in spite of the slip in prices in later dealings. They said that one very encouraging sign was the return of local investors to the market. Many had been scared away by the lack of confidence in December.

Australia

Sydney shares prices fell slightly in heavy trading on profit-taking following recent gains, brokers said.

The All Ordinary index closed 0.2 lower at 530.9.

Brokers described today's decline as moderate in comparison with recent gains and said such strength amid continued heavy turnover was encouraging.

Market leaders and heavyweight Miners, which benefited most for the recent rally, were the main focus of profit-taking. In heavy trading, BHP and CSR both shed 4c to A$7.18 and A$3.24 respectively. Bougainville Copper dropped 2c to A$2.15 and CRA fell 1c to A$3.94.

The Melbourne market adopted a quieter trend as the result of some profit-taking, brokers said.

However, brokers said lower priced gold issues again held on to the week's rises and some, like Windsor Resources, VAN and Whim Creek added a few cents.

Singapore

Share prices closed firm on sustained buying support in selective moderate trading with higher Hong Kong prices aiding sentiment, dealers said. The Straits Times Industrial index rose 7.28 points to 748.41.

Hotels, Properties, Commodities and the second trading section were also higher where traded in line with the general trend.

Milan

Milan share prices closed sharply higher in response to the decision by the Government Finance and Treasury Committee to support a long expected law allowing investment trusts to be set up. Parliament is expected to vote final approval within two weeks.

LONDON STOCK EXCHANGE

Sterling continues to dictate market trends and late rally leaves Gilts a point up—Equities also steadier

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Dec 31	Jan 13	Jan 14	Jan 24
Jan. 17	Jan. 27	Jan. 28	Feb. 7
Jan 31	Feb 17	Feb 18	Feb 28

* "New-time" dealings may take place from 9.30 am two business days earlier.

The performance of sterling remained the major influence on London stock markets yesterday. Its continued recovery against the dollar offset disappointment with renewed early easiness against other major currencies and injected some stability after the recent slide in Gilt-edged industrial shares. However, the undertone in the two main investment areas remained vulnerable to swift changes of direction. This applied particularly to Gilts.

The nervous and still delicate nature of the Funds showed through when buyers became frustrated by a mid-morning reaction in the exchange rate; quotations quickly surrendered early gains of half a point to show net falls to that extent before moving forward again on the pound's late rally to close a net point up on the overnight levels. Short-dated stocks behaved similarly but within narrower limits, the one exception being Treasury 12¼ per cent Convertible 1986 which ended 1½ points higher at 104⅜.

Leading equities staged a modest technical rally on bear-closing—the trading Account ends today—helped by continued selective buying of international and other stocks. Oils were again a major beneficiary following overnight U.S. advices and continuing hopes that the Opec reference price of $34 per barrel will be held. A less volatile Building sector was enlivened by Redland's counter to London Brick's offer for Ibstock Johnsen, while domestic clearing banks furthered their advance on the increased base lending rates. The FT Industrial Ordinary share index stayed between three and four points up for most of the session, but increased its gain in the after-hours' trade to close a net 6.2 up at 604.6.

Clearers up again

The major clearing banks attracted renewed support in the wake of Tuesday's one point rise in base lending rates. NatWest rose 15 for a two-day advance of 25 at 477p, while Midland firmed 13 further to 315p and Barclays and Lloyds added 7 apiece, to 402p and 412p respectively. Elsewhere, Standard Chartered moved up 14 to 390p.

Among Hire Purchases, First National Finance Corporation edged forward 2 to 45p on speculative buying ahead of preliminary figures scheduled for next Thursday. Sturla hardened a penny to 5½p as did London Scottish Finance, to 54p.

Life Assurances staged a useful technical rally, closing with improvements of up to 6 following recent dullness caused by fears of a commission price war. Hambro Life rallied 6 to 320p as did Prudential, to 327p, while Legal and General picked up 4 at 326p and Sun Life improved 5 to 415p.

Imitation jewellery concern Ciro, the subject of an 80p per share cash offer from Swarofski International, put on 5 to 108p; Ciro has been instructed by the Takeover Panel to produce its advice to shareholders and report on its position.

Speculators showed renewed interest in cider makers, H. P. Bulmer closing half a point firmer at £10⅝ and Merrydown rising 30 to 420p. Static for most of the session, leading Breweries attracted scattered support after the official close and finished with modest gains. In contrast, Greene King announced interim profits a shade below market expectations and fell 6 to 232p.

Special situations were responsible for several contrasting features in Buildings. Ibstock Johnsen featured in touching 115p before closing a net 13 up at 106p following the surprise counter-bid from Redland, which shed 9 to 225p; original bidders London Brick hardened a penny to 126p. In sharp contrast, cement producers met fresh selling following reports that J. Murphy and Sons was soon to import bulk cement from West German producers at an eventual rate of 70,000 tonnes per annum, representing 7 per cent of the amount consumed in the London and GLC area; Blue Circle gave up 7 more to 425p, while Rugby Portland shed 4½ to 104½p. Elsewhere, Magnet and Southerns lost 10 for a two-day fall of 24 to 170p following the interim results, but recently dull Meyer International rallied 4 to 114p on a combination of bear closing and new-time buying. Barratt Developments, down 46 over the last two trading sessions on interest rate worries, rallied 8 to 446p, while George Wimpey improved 4 to 120p, the latter helped by call option business. Streeters of Godalming put on 5 to 36p on revived speculative buying, while Tilbury Group gained 4 to 128p following the Board's cheerful statement on current trading and the announcement that Espley-Tyas and associates had increased their stake in the company to 14.06 per cent. Marchwiel also met renewed [illegible]

ICI, virtually unscathed in the recent shake-out because of overseas earnings considerations, edged up a couple of pence to 352p. Comment on the interim results prompted a fresh reaction in Allied Colloids, which shed 15 for a two-day drop of 61 to 275p.

Marked higher at the outset, leading Stores failed to attract follow-through support and most retreated to finish close to the overnight positions; dealers reported a useful two-way business, however, reflecting a general feeling that a realistic trading level had been established. Habitat Mothercare, up to 212p earlier, closed a net 2 cheaper at 206p, while British Home, a shade firmer at 212p at one stage, reacted to end 6 lower on balance at 204p. Major discount retailers, which have recently suffered severe falls, responded to scattered cheap buying and showed modest gains in places. Comet improved 5 to 250p, but Harris Queensway eased 4 more to 292p. Second thoughts about the respective interim statements lifted Ratners 3 to 42p, and Hollas 2 to 35p, but Empire, awaiting further developments following the Monopolies Commission's veto of the Great Universal bid, gave up 4 to 78p.

Arlen surge on

Rumours of a bid from Thorn EMI fuelled renewed speculative demand for recently-buoyant Arlen, which closed 16 better at 161p with the new nil-paid shares adding the same amount at 135p. Other secondary Electricals to attract useful support included Security Centres, which spurted 33 to 300p, A. and G. Security, 20 up to 285p, and Electro-Protective, which put on 18 to 211p. Improvements of 7 and 9 respectively were seen in Fobel, 111p, and Immediate Business Systems, 267p. International Signal rose 8 to 278p in response to Press comment and Henry Wigfall hardened 2 to 170p, after 175p, with the Board's comments about second-half prospects outweighing the £1.5m interim deficit. Muirhead lost 10 to 164p following the results. The leaders plotted an irregular course in moderate trading; awaiting today's interim results, Thorn EMI softened 5 to 415p. Plessey put on 10 to 625p.

Leading Engineers made a firm showing, sentiment still being helped in certain stocks by the recent setback in sterling. Hawker improved 6 to 346p, while GKN, in relatively lively conditions, improved 2 more to 130p. Vickers also found support and put on 4 to 101p. Elsewhere, Hill and Smith responded to the annual results and proposed one-for-ten scrip issue with a rise of 5 at 59p. Habit Precision encountered further demand and put on 3 more to 44p, while Davies and Metcalfe "A" improved 5 to 49p and occasional demand left Garton Engineering 3 dearer at 32p. Greens Economiser, in contrast, eased a couple of pence following the chairman's statement indicating a small loss for the year. Dealings were temporarily suspended in Henry Sykes at 25p; the company announced it had received a bid approach yesterday.

Foods staged a useful rally in places on the appearance of cheap buyers. Cadbury Schweppes found support and put on 7 to 122p. Tate and Lyle, preliminary results next Wednes- [illegible] demand in front of next Monday's annual results lifted S. & W. Berisford 7 to 197p.

Grovebell good

Secondary issues provided the major focal points in miscellaneous industrials. Grovebell jumped 4 to 14½p in response to an investment recommendation, while Celestion firmed 4½ to 34p for the same reason. Press comment also prompted a gain of 9 to 211p in British Aerospace, while Cope Allman put on 3 to 58p awaiting further news of the bid approach. Helped by option business, Combined Technology added 3½ at 62½p, while investment buying left London and Liverpool Trust 11 dearer at 341p. Mr Asil Nadir's declaration at the annual meeting that merger proposals for his three quoted companies will be despatched shortly left Polly Peck 1½ points better at £27½, after £29. Wearwell a few pence dearer at 95p and Cornell unaltered at 230p. Barget revived with a gain of 20 to 155p, while De La Rue put on 18 to 585p and Mettoy improved 4 more to 22p. A dull market since last Monday's disclosure of the £3.06m annual deficit, Sotheby's rallied on hopes of a U.S. bid to close 17 higher at 440p. Syltone dipped 3 to 155p on the lower interim profits and AJM softened 2 to 84p on the first-half deficit. Among the irregular leaders, Unilever put on 12 to 830p and Reckitt and Colman improved 7 to 385p.

Management Agency and Music gained 9 to 132p on the announcement that the company had acquired a 75 per cent stake in video concern Research Recordings for £1.6m.

The announcement that RIT and Northern has disposed of its 17.4 per cent stake in Godfrey Davis boosted the latter 5 to 90p. Henlys attracted sympathetic support and, in a brisk trade, advanced 9 to 95p.

John Waddington eased a couple of pence to 84p following the first-half loss and omitted interim dividend.

Leading Properties fluctuated narrowly before closing a shade firmer on balance. Elsewhere, Stewart Nairn came in for fresh support and jumped to 85p before closing a net 3½ up at 80p. Standard Securities firmed 4 to 109p on the satisfactory annual results and property revaluation.

Oils firm

Reflecting the overnight improvement on Wall Street, leading Oils opened higher. A relatively good two-way trade developed at the enhanced levels and quotations subsequently moved ahead further before ending slightly below the day's best. BP finished with a rise of 10 at 312p and Shell ended 6 to the good at 448p. Branon were noteworthy for a rise of 7 to 90p.

Some of the recent favourites in the Financial sector moved quickly back into favour, Mercantile House reviving to [illegible] Allen ended similarly dearer at 325p, while Exco, 389p, and R. P. Martin, 365p, gained 9 and 7 respectively. London Investment hardened a penny to 22p on the interim results.

Selective buying interest was shown in Trusts. Dealings were temporarily suspended in Bremar at 62p pending publication of reorganisation details.

Currency influences continued to buoy Inchcape, which rose 10 for a two-day gain of 20 at 308p, and Harrisons and Crosfield, up 13 more at 625p. Reflecting the firmer overnight tone in Far-Eastern markets, Plantations were marked higher across the list. Consolidated rose 4½ to 61p with the Warrants 16 up at 144p. Malakoff closed 12 to the good at 82p while gains of 4 were seen in Beradin, 32p, Jitra, 42p, and Kuala Lumpur, 61p. Riverview rose 7 to 85p.

Golds below best

A quieter mining market than of late saw South African Golds stage a good recovery after Wednesday's setback.

The strong performance by bullion in overnight U.S. markets prompted good buying of Golds in New York and led to a strong opening in London. This was quickly followed by persistent demand from Johannesburg as gold moved up to the $494.50 level in early trading.

Mid-afternoon profit-taking from London and the Continent reflected the downturn in bullion which subsequently closed $6 higher on balance at $487.5—its best closing level since May 1981. Nevertheless, closing levels for Golds remained well up on Wednesday's close and the Gold Mines index responded with an advance of 16.4 to 650.4.

The leading heavyweights were highlighted by Randfontein, which jumped £1½ to £88¾, and Hartebeest, a point firmer at £48½, but the biggest turnover was seen in Doornfontein which added almost a point to a peak £18⅜ and Libanon, ½ to the good at £23.

South African Financials were featured by strong buying of GFSA, which jumped £3½ to a record £64¾ and Johnnies, a point up at a 1982/83 high of £83. Middle Wits moved up 35 to 990p.

Coals were outstanding with 1982/83 highs common to "Amcoal," ¾ firmer at £12 and Transvaal Consolidated Land, £2 better at £29.

Leading Australians tended to mark time but the speculative issues again found support, especially Mount Carrington, 6 stronger at 45p ex the rights issue, and Metramar, 4 up at 37p.

Diamond producer Ashton Mining attracted further buying interest and rose 5 to 73p.

After a hesitant start, business in Traded Options improved significantly and 3,007 contracts were done, comprising 2,204 calls and 803 puts. Commercial Union were particularly active, recording 744 calls with the January and April 140's accounting for 147 and 166 trades respectively. British Petroleum attracted 292 calls, while a good two-way business developed in GEC which recorded 181 calls and 331 puts. Having displayed some sharp falls of late, call premiums picked up smartly reflecting the firmer trend of the underlying share prices. BP January 300's were outstanding at 18p, up 10p, while Shell Transport January 420's rose 8 to 32p.

FINANCIAL TIMES STOCK INDICES

	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 7	Jan. 6	A year ago
Government Secs.	77.70	77.29	77.98	79.85	80.11	80.46	62.50
Fixed Interest	79.96	80.30	80.83	81.83	81.83	81.91	62.58
Industrial Ord.	604.6	598.4	604.5	615.7	621.0	615.1	527.5
Gold Mines	650.4	634.0	654.0	619.5	588.8	587.3	271.0
Ord. Div. Yield	4.95	5.00	4.96	4.88	4.81	4.86	6.69
Earnings, Yld.% (full)	10.68	10.77	10.68	10.52	10.37	10.44	10.00
P/E Ratio (net) (*)	11.24	11.14	11.24	11.40	11.56	11.49	12.76
Total bargains	20,710	25,475	25,217	18,100	24,042	21,747	13,169
Equity turnover £m.	—	245.67	234.54	217.94	252.18	314.26	86.0
Equity bargains	—	19,955	25,176	241.63	21,690	21,164	10,836
Shares traded (ml)	—	155.5	144.8	138.2	167.0	106.6	65.1

10 am 602.6. 11 am 601.6. Noon 601.5. 1 pm 601.7. 2 pm 602.2. 3 pm 603.2.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 10.45.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.94 (5/11)	61.89 (6/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	657.4 (12/11)	518.1 (6/1/82)	637.4 (12/11/82)	49.4 (26/6/40)
Gold Mines	654.0 (11/1/83)	181.2 (22/6)	654.0 (11/1/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 12	Jan. 11
—Daily Gilt Edged Bargains	266.8	270.3
Equities Bargains	129.3	150.2
Equities Value	496.6	474.1
5-day Avrge Gilt-Edged Bargains	235.6	218.9
Equities Bargains	143.8	141.7
Equities Value	511.2	486.0

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur Jan 13 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed Jan 12 Index No.	Tues Jan 11 Index No.	Mon Jan 10 Index No.	Fri Jan 7 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (208)	426.27	+0.4	9.37	4.03	13.28	424.64	430.08	440.09	444.90	352.14
2	Building Materials (24)	402.82	−0.4	10.45	4.67	11.52	404.52	416.68	426.30	426.76	299.95
3	Contracting, Construction (30)	726.71	+1.2	12.12	4.54	9.83	717.95	742.44	756.89	756.92	542.60
4	Electricals (32)	1653.79	+0.2	7.21	2.08	17.77	1651.26	1657.91	1768.10	1754.85	1205.68
5	Engineering, Contractors (10)	416.52	+0.6	17.09	7.48	7.20	413.85	423.03	435.42	439.14	504.57
6	Mechanical Engineering (66)	196.23	+1.4	12.30	6.03	9.95	193.61	195.33	198.11	197.45	190.38
8	Metals and Metal Forming (11)	159.10	+1.1	13.61	7.82	8.83	157.42	158.77	163.20	158.52	161.80
9	Motors (18)	78.96	+0.7	1.08	8.05	—	78.45	79.54	79.89	79.22	94.72
10	Other Industrial Materials (17)	365.73	+0.2	9.58	5.83	13.00	365.03	369.71	371.65	372.60	370.75
21	CONSUMER GROUP (201)	398.43	+0.8	10.46	4.42	11.58	395.44	401.74	411.03	416.62	269.35
22	Brewers and Distillers (23)	442.54	+0.9	11.40	4.82	10.71	430.48	444.15	453.40	455.95	261.83
25	Food Manufacturing (21)	333.69	+1.9	13.47	5.45	8.70	327.45	332.25	334.21	336.50	269.36
26	Food Retailing (14)	847.27	+1.2	7.39	2.79	16.99	837.36	856.54	878.73	893.39	555.85
27	Health and Household Products (8)	689.74	+0.5	5.72	2.64	20.75	686.09	689.34	694.22	708.16	351.23
29	Leisure (24)	451.89	—	9.38	5.13	13.57	451.80	459.83	471.75	477.01	410.50
32	Newspapers, Publishing (13)	652.04	+0.1	9.71	4.97	12.98	651.24	657.20	654.53	653.34	472.39
33	Packaging and Paper (14)	147.27	+0.9	14.88	7.61	7.95	145.92	147.46	150.40	150.63	132.54
34	Stores (47)	350.39	−0.5	8.67	3.91	15.23	352.22	361.31	378.45	384.99	263.86
35	Textiles (23)	176.83	−0.3	13.44	6.86	9.01	177.42	179.23	180.43	180.12	155.74
36	Tobaccos (3)	460.76	+3.0	19.04	6.81	5.80	447.28	453.01	463.10	477.62	257.58
39	Other Consumer (11)	341.19	−0.1	2.47	4.07	—	341.62	346.32	351.03	349.54	257.29
41	OTHER GROUPS (77)	290.98	+0.8	11.80	5.72	10.21	288.55	292.65	296.27	297.38	235.31
42	Chemicals (15)	381.92	+0.5	12.62	6.33	9.46	379.93	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (5)	85.55	+2.4	16.02	8.63	7.67	83.54	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping and Transport (13)	535.58	+0.6	16.18	7.95	7.36	532.25	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (44)	413.48	+1.0	9.66	4.38	12.61	409.35	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (486)	393.76	+0.6	10.25	4.45	11.91	391.26	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (14)	742.61	+2.1	17.08	7.78	6.92	727.25	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	422.73	+0.9	11.27	4.95	10.75	419.14	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (121)	273.21	+1.3	—	6.46	—	269.62	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	285.15	+2.4	35.36	8.46	3.09	278.52	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (8)	276.00	+0.6	—	8.50	—	274.44	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (9)	337.46	+1.4	—	5.67	—	332.67	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (10)	185.17	+0.8	—	7.58	—	183.62	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (7)	530.82	+1.4	22.11	5.14	11.47	523.30	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (13)	155.86	−0.2	—	5.54	—	156.14	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (54)	412.26	+0.5	6.25	4.32	23.14	410.37	[illegible]	[illegible]	[illegible]	[illegible]
70	Other Financial (14)	195.69	+3.0	14.26	5.94	8.32	189.95	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (109)	383.66	+0.5	—	4.38	—	381.08	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	263.39	+0.5	7.79	5.40	17.18	261.96	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (16)	437.65	+1.8	11.41	8.27	11.57	429.82	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	386.90	+0.9	—	5.20	—	383.41	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

	PRICE INDICES	Thur Jan 13	Day's change %	Wed Jan 12	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.60	+0.93	115.61	—	0.00
2	5-15 years	124.67	+0.68	123.82	—	0.00
3	Over 15 years	130.15	+0.74	129.19	—	0.00
4	Irredeemables	135.48	—	135.48	—	0.00
5	All Stocks	123.53	+0.59	122.81	—	0.00
6	Debentures and Loans	99.27	−0.18	99.45	—	0.00
7	Preference	75.17	−0.00	75.18	—	0.00

	AVERAGE GROSS REDEMPTION YIELDS		Thur Jan 13	Wed Jan 12	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]
11	Debs & Loans	5 years	[illegible]	[illegible]	[illegible]
12		15 years	[illegible]	[illegible]	[illegible]
13		25 years	[illegible]	[illegible]	[illegible]
14	Preference		[illegible]	[illegible]	[illegible]

NEW HIGHS AND LOWS FOR 1982/83

NEW HIGHS (107)

FOREIGN BONDS (1)
AMERICANS (10)
BANKS (3)
ELECTRICALS (3)
ENGINEERING (2)
FOODS (1)
INDUSTRIALS (10)
MOTORS (3)
PAPER (2)
PROPERTY (2)
SOUTH AFRICANS (3)
TEXTILES (1)
TRUSTS (19)
OIL AND GAS (4)
PLANTATIONS (4)
MINES (34)

NEW LOWS (12)

LOANS (1)
Nationwide 11½pc 30.8.83
BUILDINGS (2)
Warrington Whittingham
INDUSTRIALS (4)
Intereurope Tech. Svs. Spear (J. W.)
Reed Executive Syltone
LEISURE (1)
Webb (Joseph)
PROPERTY (2)
Lon. & Prov. Shop Morland Secs.
OIL AND GAS (2)
Hunting Pet. 10pc Cv. Imp. Cont. Gas 8pc Cv

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	71	—	26
Corpns. Dom. and Foreign Bonds	8	24	47
Industrials	312	172	838
Financial & Props.	160	73	282
Oils	23	25	62
Plantations	11	—	12
Mines	73	16	59
Others	79	33	64
Totals	737	343	1,390

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 10	Jan 21	April 21	May 3
Jan 24	Feb 4	May 5	May 16
Feb 7	Feb 18	May 19	May 31

For rate indications see end of Share Information Service

Call options were taken out in Henlys, North Kalgurli, Camseal, Chloride, George Wimpey, Deelkraal, ICL, Pleasurama, Trident TV, Mettoy, Polly Peck, Woodside, Armour Trust and Empire Stores. A put was arranged in Comtech, while a double was completed in Burmah.

BURMA MINES/ SW CONSOLIDATED

The offer by Burma Mines for Southwest Consolidated Resources has received acceptances in respect of 22,450,183 ordinary shares in Southwest by 3.30 pm on January 11. The shares represent 93.73 per cent of the ordinary.

The offer has been declared unconditional as to acceptances but remains open until January 18.

Dominion International Group, which on November 29 1982 (the date the offer was announced) held 18,187,500 ordinary (75 per cent) has accepted Burma's offer in respect of its entire holding.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
¶¶	F.P.	—	263	250	AMEC (50p)	252	−1	g9.0	—	5.1	—
§108	F.P.	15/1	198	140	✠Baltic Leasing 5p	192	−10	b2.8	3.5	2.1	15.2
§75	F.P.	10/1	147	115	✠Bespak 10p	142	...	b2.5	3.5	2.5	15.1
‖‖	F.P.	—	16	12	✠Booth (Charles) 5p	15	...	—	—	—	—
§100	F.P.	22/4	102	100	Br. Kidney Pat. As.	102	...	—	—	—	—
§215	108p	23/4	84	60	Britoil 10p	63	−1	b9.9	1.8	8.0	9.9
§74	F.P.	21/1	132	105	✠Canvermoor	132	+4	b3.64	2.0	3.9	15.0
80	F.P.	12/11	108	63	✠Ciro 10p	108	+5	‡u3.82	1.9	5.2	14.4
25	F.P.	—	40	27	✠First Talisman Inv 30	30	......	b0.6	2.0	2.9	25.8
§150	F.P.	26/11	250	215	✠Fitch&Co. 10p	245	+5	b4.2	1.9	2.5	28.6
55	F.P.	7/1	135	98	✠GarfunkelsRest. 10p	112	+1	b1.86	3.2	2.4	14.6
§52	F.P.	7/1	84	66	✠Indust'l Fin & Inv Cp	78	−2	u2.0	2.5	3.7	12.6
§17	F.P.	21/1	35	24	✠Inn Leisure 5p	34	...	ud.42	3.7	1.8	17.0
§130	F.P	14/1	180	155	✠Memory Comp 1r10p	170	+10	bQ28.8%	5.6	1.4	18.5
§120	F.P.	30/12	250	195	✠Micro Bus. Sys. 10p	250	+25	b2.25	3.4	1.3	24.8
§155	F.P.	7/1	255	200	✠Munford & White.	220	−5	b2.6	2.4	1.7	34.8
‖	F.P.	—	177	149	✠NMW Computers	175		g3.0	2.8	2.5	18.8
§95	F.P.	4/2	198	145	✠Resource Tech. 10p	189	+29	—	—	—	38.3
525	F.P.	14/1	217	143	S.T.C (New)	197	−1	b6.0	1.9	4.4	16.2
§62½	F.P.	21/12	150	102	✠SlatersFoodPrds 10p	140	.. ..	b2.0	3.6	2.0	14.8
§120	F.P.	—	125	112	✠Swindon Prv Hos £1	112	...	—	—	—	—
§§210	F.P.	17/12	305	275	SystemsDesign'rs 10p	295	+2	b2.2	3.5	1.1	37.8
£355	F.P.	3/12	£375	£340	✠Technofan SA Fr100	£340	..	uFr150	2.0	5.5	13.1
§10½	F.P.	—	30½	16	✠Tops Estates 10p	30½	..	—	—	—	—
¶¶	F.P.	18/2	195	175	Transcontl. Serv. 50c.	178	−3	HQ9.67	—	5.4	—
§80	F.P.	—	87	55	††Voyager Pet. (UK)	55	...	—	—	—	—
£0.84	F.P.	12/11	69	68	✠Woodchester Invs.	70	.....	bQ5.16	4.1	4.5	5.8

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
¶¶	F.P.	—	108	102	AMEC 15% Uns. Ln. 1992	105	+½
97.504	£25	4/3	29½	18¾	BOC 12¼% Uns. Ln. 2012-17	18¾	−¼
99.481	£20	10/4	21⅞	15	Birmingham 11½% Red. 2012	18¼	.....
96.574	£25	29/4	26¼	23½	Bishopsgate Tst. 7-17% Stpd Deb 2023	23½	.. ...
100	£10	24/12	11	9½	Cambridge Water Works 7% Red Prf'88	9½	.. ...
¶¶	F.P.	4/2	94	88	Espley-Tyas 11½% Conv. Uns. Ln. 1988	89	+1
97.91	£30	—	32	18½	European Inv. Bk. 11% Ln. 2002	18	−¼
¶¶	F.P.	—	36p	30p	Jessel Toynbee 3.75% Red Cum. Pref.	36p	.. ...
¶¶	F.P.	—	42	42	Keep Inv.Tst. 4.9% Net.Red.Cum.Pref.	42¼	.. ..
99.799	£25	31/5	25½	22	London Shop 12.5% 1st Mt. Deb. 2015-20	22½	−½
99.13	£25	31/5	24¾	20¾	NatWest 12½% Sub. ord Uns Ln.2004	21	+¼
—	—	—	100¼	99½	Nationwide Bg.Soc. 11¼% Bds. 19/12/83	99½	.. ...
§99.795	£30	25/2	30¾	26½	Scottish Eastern Inv. Tst 12% Deb. 2012	26½	−1
‖100	F.P.	25/4	124	107	Tesco 9% Cnv. Uns. Ln. 2002-07	112½	+½
¶¶	F.P.	18/2	90	85	Transcont. 9% Cnv.Ret.Uns.Ln.Nts.1995	88	.....

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
26	Nil	—	—	135pm	94pm	Arlen Elec.	135pm	+16
90	Nil	—	—	24pm	18pm	Bellway	18pm	....
60	F.P.	14/1	11/2	70½pm	65pm	ICL	65pm	.. ...
117	F.P.	31/12	31/1	158	136½	Park Place Inv	158	+6
470	F.P.	11/1	11/2	590	523	Wolseley-Hughes	585	....

Renunciation date usually last day for dealing free of stamp duty. Fr French Franca. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. ‡ Indicated dividend; cover relates to previous dividend. P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ♦ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. ♦ Merger bid or reorganisation in progress.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Allied Colloids	275	−15	Henlys	95	+9
Anglo American Cpn.	£12	+0¾	Ibstock Johnsen	106	+13
Arlen Elec.	161	+16	Kloof Gold	£31	+0⅝
Gold Fields SA	£64¾	+3¼	Magnet and Southerns	170	−10
Grovebell	14½	+4	Polly Peck	£27½	+1½
GKN	130	+2	Redland	225	−9

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Wed. close	Day's change	Stock	No. of changes	Wed. close	Day's change
Cns. Gold Flds.	22	528	−10	RTZ	14	512	−13
Leslie	20	288	−6	Sothebys	14	423	−22
Arlen Elec.	19	145	+22	Barratt Devs.	13	438	−28
De Beers Dfd.	17	453	−5	Cable & W'less	13	330	−5
Allied Colloids	16	290	−46	Mgnt. & Sthns.	13	180	−14
MFI	16	132	−8	Racal Elec.	13	540	−2
Lon. & Liverpl.	14	330	−6	Plessey	12	615	—

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, January 12, 1983. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	6.3985
Algeria	Dinar	4.615
Andorra	Fr. Franc	6.6655
	Sp. Peseta	125.35
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	Peso (f) (4)	50105.
Australia	Dollar	1.0124
Austria	Schilling	16.5075
Azores	Port. Escudo	91.75
Bahamas	Dollar	1.00
Bahrain	Dinar	0.377
Balearic Is	Sp. Peseta	125.35
Bangladesh	Taka	24.50
Barbados	Dollar	2.0113
Belgium	Franc (C)	46.29
	Franc (F)	49.10
Belize	Dollar	2.00
Benin	C.F.A. Franc	333.275
Bermuda	Dollar	1.00
Bhutan	Ind. Rupee	9.756
Bolivia	Peso (c)	44.00
	Peso (f) (9)	198.00
Botswana	Pula	1.0656
Brazil	Cruzeiro	256.62
Brunei	[illegible]	[illegible]
Bulgaria	[illegible]	[illegible]
Burma	[illegible]	[illegible]
Burundi	[illegible]	[illegible]
Cameroun	[illegible]	[illegible]
Canada	[illegible]	[illegible]
Canary Is	[illegible]	[illegible]
Cape Verde Is	[illegible]	[illegible]
Cayman Is	[illegible]	[illegible]
Cen. Af. Rep	[illegible]	[illegible]
Chad	[illegible]	[illegible]
Chile	[illegible]	[illegible]
China	[illegible]	[illegible]
Colombia	[illegible]	[illegible]
Comoros	[illegible]	[illegible]
Congo (P'ple Rep. of)	[illegible]	[illegible]
Costa Rica	[illegible]	[illegible]
Cuba	[illegible]	[illegible]
Cyprus	[illegible]	[illegible]
Czechoslovakia	[illegible]	[illegible]
Denmark	[illegible]	[illegible]
Djibouti Rp. of	[illegible]	[illegible]
Dominica	[illegible]	[illegible]
Domin. Rep.	[illegible]	[illegible]
Ecuador	[illegible]	[illegible]
Egypt	[illegible]	[illegible]
El Salvador	[illegible]	[illegible]
Eq'tl Guinea	[illegible]	[illegible]
Ethiopia	[illegible]	[illegible]
Faeroe Is	[illegible]	[illegible]
Falkland Is	[illegible]	[illegible]
Fiji	[illegible]	[illegible]
Finland	[illegible]	[illegible]
France	[illegible]	[illegible]
Fr. C'ty in Af.	[illegible]	[illegible]
Fr. Guiana	[illegible]	[illegible]
Fr. Pac. Is.	[illegible]	[illegible]
Gabon	[illegible]	[illegible]
Gambia	[illegible]	[illegible]
Germany (E)	[illegible]	[illegible]
Germany (W)	[illegible]	[illegible]
Ghana	[illegible]	[illegible]
Gibraltar	[illegible]	[illegible]
Greece	[illegible]	[illegible]
Greenland	[illegible]	[illegible]

COUNTRY	CURRENCY	VALUE OF DOLLAR
Grenada	E. Caribbean $	[illegible]
Guadaloupe	Franc	[illegible]
Guam	U.S. $	[illegible]
Guatemala	Quetzal	[illegible]
Guinea Bissau	Peso	[illegible]
Guinea Rep.	Syli	[illegible]
Guyana	Dollar	[illegible]
Haiti	Gourde	[illegible]
Honduras Rep.	Lempira	[illegible]
Hong Kong	Dollar	[illegible]
Hungary	Forint	[illegible]
Iceland	Krona	[illegible]
India	Rupee	[illegible]
Indonesia	Rupiah	[illegible]
Iran	Rial (O)	[illegible]
Iraq	Dinar (11)	[illegible]
Irish Rep	Punt*	[illegible]
Israel	Shekel	[illegible]
Italy	Lira	[illegible]
Ivory Coast	C.F.A. Franc	[illegible]
Jamaica	Dollar	[illegible]
Japan	Yen	[illegible]
Jordan	Dinar	[illegible]
Kampuchea	Riel	[illegible]
Kenya	Shilling	[illegible]
Kiribati	Aust. Dollar	[illegible]

NOTICE OF REDEMPTION
To the Holders of

Chrysler Overseas Capital Corporation

7% Guaranteed Debentures Due February 15, 1984

NOTICE is hereby given that pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Manufacturers Hanover Trust Company, as Principal Paying Agent, has selected by lot for redemption on February 15, 1983, at the principal amount thereof, $2,314,000 principal amount of said Debentures, as follows:

Outstanding Debentures of $1,000 Each Bearing Serial Numbers Ending in the Following Two Digits:

05	11	17	24	29	35	41	45	50	54	59	67	72	80	83	88	95	99
07	14	19	26	31	36	43	48	53	56	62	70	77	82	85	91	96	

Also Debentures of $1,000 Each Bearing the Following Serial Numbers:

8366 11310 16545 19530

On February 15, 1983 there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment of public and private debts, in New York at the Corporate Trust Office of Manufacturers Hanover Trust Company, Corporate Trust Securities Processing, P.O. Box 1916, G.P.O. Station, N.Y., N.Y. 10016 or if delivered by hand, to 130 John St., Street Level, N.Y., N.Y. The called Debentures are also payable at the option of the holder in London at Manufacturers Hanover Trust Company, 7 Princes Street, London, and at S. G. Warburg & Co. Limited, 30 Gresham Street, London; in Amsterdam at Algemene Bank Nederland N.V., 32 Vijzelstradt, Amsterdam; in Brussels at Societe Generale de Banque, 3, Montagne du Parc, Brussels 1; in Frankfurt/Main at Deutsche Bank A.G. Rossmarkt, 18 Frankfurt/Main; in Luxembourg at Banque Internationale a Luxembourg S.A., 2 Boulevard Royal, Luxembourg; in Milan at Banca Commerciale Italiana, 6 Piazza della Scala, Milan; and in Paris at Banque de L'Union Europeenne, 4 Rue Gaillon, Paris by check drawn on a bank in New York or by a transfer to a dollar account maintained by the payee with a bank in New York, subject in each case to any laws or regulations applicable thereto.

Interest will cease to accrue on the Debentures called for redemption on and after February 15, 1983. Debentures so presented for payment must have attached all coupons maturing subsequent to February 15, 1983. The February 15, 1983 Coupon should be detached and presented for payment in the usual manner.

The payment of the Debentures called for redemption will be subject to the deposit of the sinking fund payment due with the Principal Paying Agent before the sinking fund redemption date.

Chrysler Overseas Capital Corporation
By: MANUFACTURERS HANOVER TRUST COMPANY
Principal Paying Agent

January 14, 1983

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FT COMMERCIAL LAW REPORTS

Posgate suspension beyond Lloyd's powers

REGINA v COMMITTEE OF LLOYD'S EX PARTE POSGATE

Queen's Bench Division (Divisional Court): Lord Justice O'Connor and Mr Justice McNeill: January 11 1983

THE EFFECT of demands by the Committee of Lloyd's that registered underwriting agents *suspend* an underwriter whose livelihood is derived largely through those agents is that the committee itself suspends the underwriter as a member of Lloyd's; and although the committee has wide powers to superintend the affairs of Lloyd's, it has no power, until bye-laws are made under the Lloyd's Act 1982, temporarily to *suspend a member without* first establishing that he has been guilty of a discreditable act.

The Divisional Court so held when granting Mr Ian Posgate's application for judicial review of a decision by the Committee of Lloyd's taken on September 20, 1982, requiring his employers to suspend him as an underwriter. The court granted a declaration that the Committee had no power to require his suspension.

* * *

LORD JUSTICE O'CONNOR, giving the judgment of the court, said that Mr Posgate, a Lloyd's underwriter, was a director of Alexander Howden Underwriting Ltd (AHU) and Posgate & Denby Agencies Ltd (P&D). Both companies were Lloyd's underwriting agents. Until March 1982 he had also been a director of Alexander Howden Group PLC (AH Group), Lloyd's brokers. He was a member of the Committee of Lloyd's. His whole livelihood came from his working membership of Lloyd's.

In January 1982 the Alexander Howden companies were taken over by an American insurance company, Alexander & Alexander Inc (A&A). It appeared from investigations by A&A's accountants that four directors of the AH Group, including the then chairman, had been syphoning off large *sums of money out of the group* through bogus re-insurance companies owned by them in Panama, and that Mr Posgate was involved.

A&A proposed filing a statement of serious allegations against the four directors and *Mr Posgate, with the Securities* Exchange Commission in Washington. That called for action by the Committee of Lloyd's, for it was bound to have a disturbing effect on the market and on syndicate members.

The Committee met on September 20. Mr Posgate was asked to retire and after protest he did so. The Committee decided that letters should be written to P&D and AHU, requiring them to take certain steps, failing which the Committee would take immediate action in relation to their continuing as underwriting agents.

The first requirement was that Mr Posgate be immediately suspended as joint active underwriter of the syndicates, and as a director and officer of the companies from all underwriting and underwriting agency activities.

On the afternoon of September 20 Lloyd's issued a press state*ment that* in the light of A&A's document filed in Washington that morning, the Committee had decided to require AHU and P&D to suspend Mr Posgate.

AHU agreed to implement the requirements in the letter. P&D also agreed reluctantly. Under the threat of being removed from the register it felt it could not do otherwise than comply.

Mr Posgate claimed that the Committee's decision of September 20 was a decision to suspend him as a member of *Lloyd's, and as such was outside* the powers of the Committee.

*

Mr Scott, for Lloyd's, submitted that the Committee did not suspend Mr Posgate as a member of Lloyd's, and that the letters to AHU and P&D were no more than firm requests inviting them to stop using Mr Posgate's services temporarily pending the investigations.

That submission could not be accepted. The Committee, acting in good faith, and faced with a grave emergency, was satisfied that the good name of Lloyd's required action to stop Mr Posgate acting as an underwriter pending the investigations, and publication to the world that it had done so.

If anybody at Lloyd's had asked *on September 21:* "What has the Committee done about Posgate?", he would have got the answer: "Suspended him." That was the reality of the situation, and where a man's livelihood was concerned the court should look at the reality of what had been done. Mr Posgate was suspended as a member of Lloyd's.

The next question was whether the Committee acted outside its powers.

*

Section 20 of the Lloyd's Act 1871 gave a specially convened meeting of members power to deprive someone of membership if he violated any of the fundamental rules of Lloyd's or was guilty of discreditable acts. But there was no power to suspend a member temporarily.

Section 12 (1) of the Lloyd's Act 1911 provided that a member could be suspended if it had been "established to the satisfaction of the Committee" that the member had been guilty of a discreditable act. Lloyd's did not purport to have acted under that section.

It contended that it acted under powers conferred by section 29 of the 1871 Act, which provided that the Committee should have the management and superintendence of the affairs of Lloyd's.

The concept of "superintendence of the affairs" was a very wide one and gave the Committee an unfettered discretion to do what it considered best in the interest of Lloyd's, subject only to a further provision in the same section, that it must act "in accordance with and subject to the provisions of this Act and the bye-laws thereunder."

When the allegations of fraud on the syndicates were reported to the Committee, it was entitled to take drastic and immediate action under its duty to superintend the affairs of the society. It was entitled to make all the demands in the letters of September 20 save the first, requiring Mr Posgate's immediate suspension.

The Committee acted in good faith, and thought it had power to do what it did; but the format *of* the letters, together with the press statement against the background of the document to be filed in Washington, showed that the Committee wanted it to be understood that Mr Posgate had been suspended from acting as underwriter.

There was no power in the Committee to require the suspension of Mr Posgate in such a manner as would amount to suspending him as a member of Lloyd's, which was in fact what it did.

That conclusion was reached on a true construction of the Lloyd's Acts 1871 to 1951. The situation had been corrected in the 1982 Act which empowerd the Council to make bye-laws for the suspension of members. But that Act provided that until the first meeting of the Council, Lloyd's Acts 1871 to 1951 should continue to have effect, as though the 1982 Act had not been passed.

*

It was submitted *for* Mr Posgate that the Committee acted in breach of natural justice. The complaint was that the Committee suspended him without giving him a chance to answer the allegations on which it acted. As the Committee was acting beyond its powers in ordering the suspension, the issue raised on natural justice did not arise.

Mr Posgate ought to have been told the nature of the charges against him and at least been asked if he had any grounds for saying that it would be wrong to suspend him. On the basis that the Committee was acting within its powers, the court would have held that there was breach of natural justice.

The relief to which Mr Posgate was entitled was a declaration that the Committee had no power to require his suspension in its letters of September 20.

Judgment for Mr Posgate.

For Mr Posgate: Robert Alexander QC and Christopher Clarke (Stephenson Harwood).

For Lloyd's: Peter Scott QC and R. J. L. Thomas (Linklaters and Paines).

By Rachel Davies
Barrister

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

Equity Accum. (2)	322.8	347.2	.....	3.57

National Westminster (a)
161, Cheapside, EC2V 6EU. 01-726 1999

Capital (Accum.)	167.1	179.6	+1.4	1.80
[illegible]				

Save & Prosper—continued
Sector Funds

Commodity	148.6	160.2	+2.2	2.34
Energy	123.0	132.4	+0.8	1.90
Exploration Fund (z)	35.2	37.8	+0.3	0.21
Financial Secs.	120.5	129.7	+1.5	2.95
New Technology (z)	69.3	74.5	+0.9	0.23
Scotbits	57.4	62.0	+0.6	3.25
Special Situation Fd.	46.1	50.3	+0.5	3.93
Intl. Bond Fd.	74.7	80.2	-0.3	1.82

Exempt Funds

Exempt Income*	227.7	240.3	.....	7.06
Exempt Intl.*	428.2	451.9	.....	1.27

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol 0272 732241

Capital	187.4	198.5	+1.2	3.59
(Accum. Units)	304.0	322.4	+1.8	3.53
Income	105.8	112.2	+0.6	9.04
(Accum. Units)	271.2	287.6	+1.4	9.04
Pref.	99.0	104.6		11.71
(Accum. Units)	189.0	201.2	-0.2	11.71
Exempt	145.2	154.2	+0.6	8.66
(Accum. Units)	273.2	293.8	+1.4	8.66
Int. Ears.	88.9	94.6	+2.0	4.17
(Accum. Units)	117.6	126.6	+2.8	4.17
North Amer. Grth.	89.1	94.8	+0.9	1.91
(Accum. Units)	98.8	105.1	+0.9	1.91

[illegible]

INSURANCES

[illegible]

مكرر من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man Fd		215.60		—
Managed Inv. Fd.	146.67	154.39		—
Property Fd	144.54	152.15		—
Fixed Interest Fd	137.24	144.47		—
Cash Fd	130.49	137.36		—
Income Fd.	141.81	149.28		—
Extra Income Fd	132.99	139.99		—
Worldwide Growth Fd	186.72	196.55		—
Balanced Fd.	155.85	164.06		—
Smlr Co's & Recy. Fd	160.05	168.48		—
Int. Technology Fd	207.87	218.82		—
Nth. Amer. & Gen. Fd.	131.42	138.34		—
Energy Int. Fd	84.99	90.05		—
Pacific Basin Fund	113.27	119.24		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Equity	96.8	101.9		—
International	95.5	100.6		—
Property	96.3	101.4		—
Deposit	95.1	100.1		—
Fixed Interest	94.3	99.2		—
Managed	95.7	100.7		—
Equity Pens Cap.	97.0	102.1		—
Intnl. Pens. Cap.	95.6	100.6		—
Property Pens Cap	96.4	101.5		—
Deposit Pens Cap	95.1	100.1		—
Fixed Int Pens Cap.	94.0	99.0		—
Managed Pens Cap.	95.7	100.7		—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth. Jan 5		83.2		—
Rent. Fed Jan 7		204.4		—
Managed Pen Fund	164.1	172.8		—
Property Pen Fund	109.3	115.0		—
Index Lnkd Pen Fund	115.9	122.0		—
Managed	105.2	110.6	+0.6	—
Property	97.7	102.9		—
Gilt and Fixed Interest	94.6	99.6	+0.3	—
Index-Linked	103.9	109.4	−0.7	—
Equity	106.8	112.5	+1.5	—
Cash	97.2	102.4	+0.1	—
Midland Bk. Unit Tst.	101.8	107.2	+0.4	—
Midland Bank Inv.	119.9	126.3	+1.2	—

Cannon Assurance Ltd.

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	121.1	127.5	−2.0	—
GT Pln High Yld Fnd	103.6	109.1		—
GT Plan Far East Fnd	98.0	103.2	−0.6	—
GT Pln N Am Fund	135.1	142.3		—
GT Pln UK&G.E. Fnd	127.6	129.8		—
GT Pln Wrldwde Fnd.	111.6	117.5		—
GT Pension Bnd Fnd.	125.4	132.1	−2.4	—
GT Pen High Yld Fd	114.7	120.8		—
GT Pen Far East Fd	102.5	107.9		—
GT Pen N. Am. Fd.	162.5	171.1		—
GT Pen UK & G.E. Fd	127.1	133.8		—
GT Pen Worldwide Fd.	116.7	122.9		—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	154.5	162.7		—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		214.4		—
Portfolio Fd. Init.		183.9		—
Portfolio Fd. Cap.		208.1		—
Portfolio Man. Acc.	65.4	68.8		—
Portfolio Man. Init.	58.3	61.4		—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,425		—
Landbank Secs.		64.03		—
Landbank Scs. Acc.	173.3	177.8		—
G. & S. Super Fd.		£30,734		—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance

Property Bonds	298.6	311.0		—

GRE Linked Assurance Limited

Managed Initial	179.2	188.7	+0.5	—
Do. Accum.	195.6	205.9	+0.5	—
Equity Initial	221.9	233.6	−4.8	—
Do. Accum.	242.2	254.9	−5.2	—
Fixed Int. Initial	170.2	179.1	−0.1	—
Do. Accum.	185.7	195.5	−0.1	—
International Initial	176.6	185.8	+1.3	—
Do. Accum.	192.7	202.8	+1.5	—
Property Initial	121.2	127.6		—

OFFSHORE AND OVERSEAS

Wardley Trust	HK$30.99	32.60		4.29
Wardley Nikko As. Fd.	US$25.73	26.91		5.57
Wardley Bond Trust	$10.70	10.90		8.75
Wardley Japan Trust	$20.06	20.79		1.01

Westavon Secs. (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gilt & Option Fd	98.0	103.0		3.00

World Wide Growth Management◆
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$11.79	—	+0.06	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	31.9	33.2		3.10
Chinese Fund	74.8	77.9	+19.1	1.70
Precious Metal Fund.	140.1	145.6		8.30
Vanguard Cmdy. Fd.	44.9	46.0	+3.6	2.26
Financial Futures Fd.	134.3	139.7	+3.3	—
Wren Intl Fnd.*	$0.928	0.967	+0.08	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99⅛	91	Exch 3pc 1983	99⅛	+⅛	3.02	10.69
101¼	95¼	Treasury 12pc 1983‡‡	100⅛		11.99	11.32
100⅝	92⅞	Treasury 9¼pc '83	99xd	+⅛	9.34	11.42
104⅝	96⅞	Exch 13¼pc '83	101⅛	−⅛	13.28	11.29
101¼	91⅞	Exch 10pc 1983	98⅞	+⅛	10.11	11.79
98¼	87⅞	Funding 5½pc '82-84‡‡	96½		5.70	9.24
103¼	91⅞	Exch. 11¼pc 1984	100⅛	+⅛	11.24	11.03
107¼	96¼	Exchequer 14pc 1984	102⅞	+⅛	13.61	11.62
94½	81⅛	Exch 3pc 1984	93	+½	3.23	8.29
105¼	91½	Treasury 12pc 1984	100⅛	+⅛	11.92	11.99
112	96¼	Treasury 15pc 1985	105¼	+⅛	14.18	11.76
112¼	89½	Exch. 12pc Cnv '85	102¼	−¼	11.73	10.81
91¼	73½	Treasury 3pc 1985	89	+¼	3.37	8.24
105½	87½	Treasury 11½pc 1985	99⅞xd	+½	11.51	11.58
61¼	55¼	Treas 8¼pcCr85 (£60pd)	55⅞	+⅛	9.13	10.66
107⅞	88⅝	Exch. 12¼pc 1985	100¼	+⅛	12.16	11.91
106⅝	86⅛	Exch 11¾pc '86	99½	+⅛	11.81	11.91
89½	69	Treasury 3pc 1986	86¼	+¼	3.48	7.74
107¼	86¼	Treasury 12pc '86	100⅛	+⅛	11.96	11.85
100	80⅛	Treasury 8¼pc '84-86‡‡	95⅛		8.91	10.11
116¼	96⅛	Treas. 12¼pc '86 Cnv.	104¼xd	+1½	11.69	10.59
114	91⅞	Exch 14pc 1986	105⅞	+⅛	13.22	11.99
112	90	Exch. 13¼pc 1987	103⅞xd	+¼	12.76	12.01
84	83⅝	Exchequer 2½pc 1987	83¼	+⅛	2.99	7.09
103½	95⅞	Exch 10½pc 1987	96⅛	+⅛	10.93	11.68
93⅛	73⅞	Funding 6½pc '85-87‡‡	91		7.14	9.11
85⅛	64½	Treasury 3pc 1987	83½xd	+⅛	3.59	7.38
109	85⅞	Treas. 12pc 1987	100⅛	+⅛	11.99	11.94

Five to Fifteen Years

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
98	72½	Treasury 7¾pc '85-88‡‡	90¼xd	+½	8.56	10.21
102¼	95½	Exch 10½pc '88	95¼	+¼	11.20	11.19
81	60¼	Transport 3pc '78-88	76¼	+½	3.94	8.56
99	91	Treas. 9½pc '88	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
[illegible]	[illegible]	Consols 4pc	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	War Loan 3½pc	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Conv. 3½pc '61 Aft.	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Treasury 3pc '66 Aft.	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Consols 2½pc	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Treasury 2½pc	[illegible]	[illegible]	[illegible]	[illegible]

Index-Linked & Variable Rate

[illegible]

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[illegible]

CANADIANS

[illegible]

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[illegible]

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[illegible]

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CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued.

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

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INDUSTRIALS (Miscel.)

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Manor House, Ash Walk, Warminster, Wilts. BA12 8PY.

INDUSTRIALS—Continued

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
210	145	Jacksons Bourne	200xd	...	5.0	3.1	3.6	13.0
52	20	James Inds. 10p	20	...	1.25	1.9	9.2	8.2
180	105	♦Jardine M HK$5	141	+1	1092c	2.3	6.4	6.8
*48	15	Jecks & Cattell	20	...	21.0	—	7.1	—
306	187	Johnson Clnrs.	282	–2	♦17.7	2.3	3.9	15.7
337	227	Johnson Mthy. £1	322	+4	10.0	1.9	4.4	(14.1)
238	98	Johnston Grp. 10p	296	...	4.0	6.2	2.4	9.0
88	64	Jourdan (T.) 10p	88	+1	5.25	0.6	8.5	(30.7)
48	35	Kalamazoo 10p	42	...	2.5	0.9	8.8	18.1
170	135	Kelsey Inds.	142xd	–1	8.0	♦	8.0	♦
310	130	Kershaw (A.) 5p	130	...	21.75	0.5	23.9	(21.1)
55	36	Kleen-E-Ze Hldgs.	39	...	3.0	0.2	11.0	—
68	44	L.C.P. Hlds	56	...	3.6	0.6	9.5	(31.9)
106	39½	L.R.C. Int. 10p	103	...	3.1	2.0	4.3	17.2
46	27	Lawtex	29	...	—	—	—	—
440	277	Lep Group 10p	375xd	...	17.5	1.7	6.7	(11.0)
37	22	Lilleshall 10p	23	...	‡2.5	—	‡	—
410	39	Lon. & Liv. 10p	341	+11	‡2.45	2.4	1.0	49.7
116	78	London & Mid'd	102	...	7.75	1.1	10.9	(12.7)
62½	36	Lon. & Nthn. Grp.	55	...	‡3.75	2.1	9.7	5.9
43	23	♦Lon. Priv. Health	37	+1	—	—	—	18.5
10	3½	Long Hmbly. 10p	8¼	...	B—	—	—	—
61	36	Longton Inds.	61	+1	1.0	—	2.3	—
195	55	Low & Bonar 50p	72	–2	‡7.0	0.6	13.9	(14.9)
27½	14	M.Y. Dart. 10p	18	...	‡h1.21	—	‡	—
242	105	M'c'rthy Ph. 20p	205	...	7.0	2.0	4.9	9.5
132	48	Macfarlane Gp.	129	...	‡h3.2	2.5	3.5	14.7
49	28	Maclellan 20p	46	...	d1.43	1.4	4.6	(18.2)
86	40	Macpherson (D.)	52	...	4.2	1.5	11.5	7.6
62	44	Magnolia Group	44	...	2.3	3.9	7.5	4.5
108	57	Man. Ship Can. £1	92	...	B—	—	—	—
55	35	Marley	52	+1	2.25	1.5	6.2	(13.0)
51	29	Marling Ind. 10p	35	–½	1.08	6.7	4.4	3.6
49	28	Marshall L'xy. 'A'	29	...	2.8	1.9	13.8	(4.6)
88	56	Marshall's Univ	56	...	0.1	—	0.3	—
37	21½	Martin-Black	24	...	—	—	—	—
£143	£97	♦Mathesons 7¼%	£112	...	Q7¼%	2.3	(7.0)	—
190	132	Metal Box £1	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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NOTES

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 25

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound steady at lower levels

Sterling continued to lose ground yesterday but finished above the day's lows. Trading was a little less frantic than earlier in the week although turnover remained quite high. The market is now waiting to see if the latest rise in base rates will be sufficient to hold sterling.

The dollar was generally weaker although it finished nearer the top end of the day's range with U.S. Federal funds a little higher than earlier in the week and Euro-dollars showing a small rise.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.5837. December average 1.6176. Trade weighted index 81.3 against 80.8 at noon and 81.0 at the opening and compared with 81.4 on Wednesday and 91.3 six months ago. Sterling continues to weaken against Continental currencies and the yen on fears of a worsening balance of payments and lower world oil prices. There is also uncertainty caused by the possibility of an early General Election and sterling is now trading close to all time low against the dollar, despite a firmer trend in interest rates.

Sterling opened at $1.5775 against the dollar and eased in the morning to a low of $1.5700. At this point the dollar showed a weaker trend, having opened quite firm, and sterling recovered to $1.5800. A short but sharp burst of demand for sterling during the afternoon pushed it to a best level of $1.5850 before closing at $1.5790-1.5800, a rise of 40 points. Against the D-mark it closed at DM 3.7050 from DM 3.7225, having been as low as DM 3.67 and SwFr 3.0350 from SwFr 3.0675. It slipped against the French franc to FFr 10.5025 from FFr 10.5450 and Y362.5 compared with Y363.5.

DOLLAR — Trade weighted index (Bank of England) 116.8 against 121.3 six months ago. A change of emphasis towards fundamentals such as rising trade and budget deficits has pushed the dollar down recently. High interest rates had previously kept the U.S. unit firm but the Federal Reserve discount rate and bank prime rates are now following a downward path.

The dollar fell to DM 2.3435 from DM 2.3615 against the D-mark and SwFr 1.9210 from SwFr 1.9460. It was also lower against the yen at Y229.40 compared with Y230.40 and FFr 6.65 from FFr 6.6930.

D-MARK — Trading range against the dollar in 1982-83 is 2.5940 to 2.2410. December average 2.4225. Trade-weighted index 129.2 against 124.2 six months ago. The D-mark is strong, helped by an improving balance of payments position. It has benefited recently from the weakness of the dollar and sterling.

The Bundesbank did not intervene when the dollar fell to DM 2.3447 from DM 2.3499 at the Frankfurt fixing. The U.S. unit opened at DM 2.3400, and drifted down to a pre-fixing low of DM 2.3360, where strong resistance pushed the dollar back above the DM 2.34 level. There is a general expectation that the German central bank and the U.S. Federal Reserve will make further reductions in their discount rates within the next week or so.

ITALIAN LIRA — Trading range against the dollar in 1982-1983 is 1,489.75 to 1,196. December average 1,400.02. Trade-weighted index 53.8 against 53.6 six months ago. Large public sector borrowing as a result of a growing budget deficit has increased Italy's already considerable inflationary problems. Only the recent weakness of the dollar has helped the lira recover from record lows against the U.S. currency.

The lira improved against the dollar and D-mark at the Milan fixing. The U.S. currency fell to L1,345.80 from L1,349.95, and the D-mark to L574.16 from L574.23. On the other hand the Dutch guilder rose slightly to L520.92 from L520.82.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	44.9901	+0.04	+1.57	±1.5501
Danish Krone ...	8.23400	8.06500	−2.05	−0.52	±1.6430
German D-Mark	2.33379	2.28907	−1.92	−0.39	±1.0888
French Franc ...	6.61387	6.49010	−1.87	−0.34	±1.3940
Dutch Guilder ...	2.57971	2.52355	−2.18	−0.65	±1.5004
Irish Punt	0.691011	0.690448	−0.08	+1.45	±1.6691
Italian Lira	1350.27	1314.78	−2.63	−1.66	±4.1389

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Jan. 13	£	$		£ Note Rates
Argentina Peso..	79,790-79,830	50,340-50,390	Austria..........	25.80-26.10
AustraliaDollar..	1.5860-1.5880	1.0090-1.0095	Belgium	77.20-78.20
Brazil Cruzeiro..	409.92-410.92	259.69-260.99	Denmark	12.92-13.05
Finland Markka..	8.2855-8.3000	5.2530-5.2550	France	10.43-10.53
Greek Drachma..	129.244-132.525	83.30-83.80	Germany.........	3.67½-3.71½
Hong Kong Dollar	10.26½-10.28½	6.5000-6.5050	Italy	2090-2145
IranRial............	131.10*	82.70*	Japan.............	358-363
KuwaitDinarKD	0.455-0.456	0.2882-0.2884	Netherlands	4.05½-4.08½
Luxembourg Fr..	72.75-72.85	46.07-46.09	Norway...........	10.90-11.00
Malaysia Dollar...	3.5825-3.5925	2.2685-2.2705	Portugal	140-175
New Zealand Dlr.	2.1440-2.1510	1.3650-1.3670	Spain.............	188¼-202
Saudi Arab. Riyal	5.4340-5.4415	3.4395-3.4415	Sweden...........	11.34-11.44
Singapore Dollar	3.26-3.27	2.0650-2.0670	Switzerland.. ...	3.02-3.05
Sth.African Rand	1.6765-1.6775	1.0615-1.0620	United States...	1.56½-1.58½
U.A.E. Dirham...	5.8000-5.8090	3.6710-3.6740	Yugoslavia..	123-132

*Selling rates.

CURRENCY MOVEMENTS

Jan. 13	Bank of England Index	Morgan Guaranty Changes%
Sterling..............	81.3	−39.3
U.S. dollar...........	116.8	+8.2
Canadian dollar	89.6	−17.1
Austrian schilling..	121.6	+30.0
Belgian franc.........	94.6	−1.8
Danish kroner.......	85.0	−9.0
Deutsche mark......	129.2	+55.1
Swiss franc...........	154.9	+110.8
Guilder................	119.9	+27.8
French franc.........	74.7	−19.0
Lira.....................	53.8	−58.2
Yen.....................	147.0	+40.4

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Jan. 13	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.704439	0.621096
U.S. $	8½	1.10773	0.976994
Canadian$..	9.74	*	1.19143
Austria Sch	4¾	18.2388	16.0665
Belgian F ...	11½	51.0664	44.9901
Danish Kr ...	10	9.14708	8.06500
D mark	5	2.59789	2.28907
Guilder	4½	2.86459	2.52355
French F......	9½	7.36917	6.49010
Lira	18	1490.73	1314.78
Yen	5½	253.827	223.338
Norwgn Kr...	9	7.71634	6.80665
Spanish Pta	—	138.533	122.123
Swedish Kr	10	8.01553	7.08216
Swiss Fr	4½	2.12898	1.87679
Greek Dr'ch	20½	92.4013	81.4218

* C$/SDR rate for Jan 12: 1.35381

THE POUND SPOT AND FORWARD

Jan 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5700-1.5850	1.5790-1.5800	0.36-0.31c pm	2.54	1.02-0.97 pm	2.52
Canada	1.9160-1.9280	1.9255-1.9265	0.20-0.10c pm	0.93	0.75-0.65 pm	1.45
Nethlnd.	4.05-4.09½	4.08-4.09	2¼-1⅞c pm	6.24	6¾-6¼ pm	6.36
Belgium	72.20-72.90	72.75-72.85	10-20c dis	−2.47	45-55 dis	−2.75
Denmark	12.94-13.07	13.05-13.06	8-10ore dis	−8.27	24¾-36½dis	−9.32
Ireland	1.1060-1.1220	1.1190-1.1210	0.43-0.54p dis	−5.20	0.98-1.15dis	−3.80
W. Ger.	3.67-3.71½	3.70-3.71	2½-1¾pf pm	6.48	5⅞-5⅜ pm	6.07
Portugal	146.00-152.00	148.25-150.25	275-755c dis	−41.41	530-1800dis	−31.22
Spain	196.00-197.80	197.45-197.75	110-165c dis	−8.35	380-470 dis	−8.60
Italy	2,107-2,129	2,126-2,128	15-20 lire dis	−9.87	58-63 dis	−11.38
Norway	10.93-11.04	11.02-11.03	1½-2¼ore dis	−2.31	6½-7¼ dis	−2.56
France	10.41-10.51	10.49¾-10.50¾	5¼-7¾c dis	−7.71	26¼-29¾dis	−10.76
Sweden	11.37-11.46½	11.45-11.46	⅛ore pm-par	0.39	1¾-2¼ dis	−0.68
Japan	358-364	362-363	1.70-1.50y pm	5.30	5.00-4.80 pm	5.41
Austria	25.80-26.05	25.98-26.03	13¾-11¾gro pm	5.77	37-32 pm	5.31
Switz.	3.01-3.05	3.03-3.04	2¾-2¼c pm	9.88	6⅞-6⅜ pm	8.73

Belgian rate is for convertible francs. Financial franc 77.75-77.85. Six-month forward dollar 1.83-1.78c pm, 12-month 3.10-2.95c pm.

THE DOLLAR SPOT AND FORWARD

Jan 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5700-1.5850	1.5790-1.5800	0.36-0.31c pm	2.54	1.02-0.97 pm	2.52
Ireland†	1.4100-1.4180	1.4100-1.4130	0.93-0.83c pm	7.47	2.30-2.15 pm	6.29
Canada	1.2190-1.2215	1.2190-1.2200	0.14-0.17c dis	−1.52	0.31-0.34dis	−1.07
Nethlnd.	2.5800-2.5865	2.5845-2.5865	0.89-0.79c pm	3.90	2.59-2.47 pm	3.92
Belgium	45.95-46.09	46.07-46.09	21-24c dis	−5.86	62-66 dis	−5.56
Denmark	8.2475-8.2735	8.2550-8.2650	6¼-6¾ore dis	−9.44	16.40-16.90d	−8.06
W. Ger.	2.3370-2.3475	2.3430-2.3440	0.73-0.68pf pm	3.61	2.10-2.05 pm	3.54
Portugal	93.00-97.00	94.00-96.00	200-500c dis	−44.21	400-1200dis	−33.68
Spain	124.85-125.10	124.95-125.00	80-120c dis	−9.60	270-325 dis	−9.52
Italy	1,341¾-1,347½	1,346½-1,347½	14-16 lire dis	−13.37	48-51 dis	−14.71
Norway	6.9565-6.9850	6.9725-6.9825	2.65-3.15ore dis	−4.98	8.65-9.15dis	−5.10
France	6.6300-6.6550	6.6475-6.6525	5¾-6c dis	−10.15	21-22½ dis	−13.09
Sweden	7.2290-7.2560	7.2450-7.2550	0.90-1.40ore dis	−1.90	5.00-5.50dis	−2.90
Japan	228.25-229.85	229.35-229.45	0.52-0.45y pm	2.54	1.45-1.35 pm	2.44
Austria	16.42-16.46¾	16.45¼-16.46¾	4.30-3.80gro pm	2.84	12.50-10.00pm	2.73
Switz.	1.9135-1.9275	1.9205-1.9215	1.16-1.11c pm	7.09	3.00-2.95 pm	6.19

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.20-49.30.

EXCHANGE CROSS RATES

Jan. 13	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.580	3.705	362.5	10.503	3.036	4.085	2127.	1.926	72.80
U.S. Dollar	0.633	1.	2.346	229.5	6.649	1.921	2.586	1347.	1.219	46.09
Deutschemark	0.270	0.426	1.	97.84	2.836	0.819	1.103	574.1	0.520	19.65
Japanese Yen 1,000	2.759	4.357	10.22	1000.	28.97	8.372	11.27	5868.	5.313	200.8
French Franc 10	0.952	1.504	3.528	345.2	10.	2.890	3.890	2025.	1.834	69.32
Swiss Franc	0.329	0.520	1.221	119.4	3.460	1.	1.346	700.8	0.635	23.99
Dutch Guilder	0.245	0.387	0.907	88.74	2.571	0.743	1.	520.7	0.471	17.82
Italian Lira 1,000	0.470	0.743	1.742	170.4	4.938	1.427	1.921	1000.	0.906	34.23
Canadian Dollar	0.519	0.820	1.924	188.2	5.453	1.576	2.121	1104.	1.	37.80
Belgian Franc 100	1.374	2.170	5.089	497.9	14.43	4.169	5.611	2922.	2.645	100.

FINANCIAL FUTURES

Good trading

Trading conditions were much improved on the London International Financial Futures Exchange yesterday. The market was less volatile in the sterling interest rate contracts, and traders reported good two-way business. At the opening the March gilt price was 98-26, compared with 98-21 at the previous close. A further weakening of sterling at mid-morning pushed the price down to the day's low of 98-16. From this level it attempted to rally above 99-10, but failed to maintain the momentum until sentiment improved in the afternoon.

As the pound improved on the foreign exchanges, and prices of British funds rose in cash trading, the March gilt touched a peak of 99-15, and closed only slightly below that level at 99-13, a rise of ¾ point on the day. i

The short sterling interest rate March contract opened lower at 88.95, compared with 89.06 previously, in line with movements in the cash market. London interbank interest rates rose quite sharply at mid-morning as the pound declined on the foreign exchanges. This pushed the March sterling three month price down to a low of 88.93, but it recovered to close at the day's high of 89.02, a fall of only 4 basis points from the previous close.

March Eurodollars moved in a narrowed range, after opening little changed at 91.16. Chicago opened firm on hopes of a cut in the U.S. Federal Reserve discount rate, and buying interest was fuelled by the ½ per cent reduction in the Dutch National Bank discount rate to 4½ per cent announced during the afternoon.

Continued concern about the pound maintained trading in sterling currency futures at a reasonable level of 540 lots. The March losing price of $1.5710 was unchanged from the opening, and 20 points down on the day.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	91.20	91.24	91.11	91.17
June	90.84	90.88	90.74	90.80
Sept	90.51	90.50	90.41	90.45
Dec	90.28	90.28	90.28	90.28
March	90.00	90.00	90.00	90.00

Volume 1,139 (1,228)
Previous day's open int. 3,065 (3,013)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	89.02	89.02	88.93	89.06
June	89.18	89.14	88.97	89.17
Sept	89.08	89.03	88.90	89.10

Volume 1,668 (2,553)
Previous day's open int. 2,529 (3,117)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	99-13	99-15	98-16	98-21
June	99-05	99-07	98-16	98-15

Volume 1,425 (1,100)
Previous day's open int. 1,897 (1,970)
Basis quote (clean cash price of 15½% Treasury 1998 less equivalent price of near futures contract) −8-par (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.5710	1.5725	1.5650	1.5730
June	1.5615	1.5600	1.5575	1.5640

Volume 540 (522)
Previous day's open int. 708 (709)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.4290	0.4295	0.4285	0.4266
June	0.4327	0.4327	0.4324	0.4308

Volume 216 (62)
Previous day's open int. 391 (382)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.5255	0.5259	0.5245	0.5208
June	0.5327	0.5327	0.5327	0.5280

Volume 111 (57)
Previous day's open int. 261 (254)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4388	0.4397	0.4385	0.4365
June	0.4421	0.4421	0.4417	0.4398

Volume 43 (79)
Previous day's open int. 166 (136)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	77-03	77-16	77-01	77-00
June	76-13	76-26	76-12	76-11
Sept	75-28	76-08	75-28	75-26
Dec	75-15	75-25	75-15	75-12
March	75-06	75-13	75-06	75-01
June	74-30	75-03	74-30	74-25
Sept	74-23	74-28	74-23	74-18
Dec	74-18	74-23	74-14	74-13
March	74-14	74-19	74-14	74-09
June	74-10	74-15	74-10	74-05

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	92.50	92.56	92.45	92.42
June	92.13	92.20	92.07	92.06
Sept	91.76	91.81	91.70	91.67
Dec	91.44	91.46	91.37	91.32
March	91.11	91.11	91.06	91.02
June	90.84	90.84	90.84	90.77
Dec	—	—	—	90.40

CERT. DEPOSIT (CBT) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.44	90.45	90.40	90.35
March	91.60	91.65	91.54	91.53
June	91.20	91.21	91.15	91.08
Sept	90.79	90.80	90.70	90.68

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.96	91.00	90.90	90.90
June	90.59	90.61	90.52	90.50
Sept	90.24	90.24	90.18	90.14
Dec	89.93	89.93	89.88	89.83

STERLING (IMM) Se per £

	Latest	High	Low	Prev
March	1.5755	1.5770	1.5650	1.5715
June	1.5655	1.5685	1.5640	1.5620
Sept	1.5610	1.5620	1.5580	1.5580
Dec	1.5500	1.5600	1.5500	1.5545
March	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	71-27	72-11	71-20	71-13
June	71-01	71-13	70-27	70-20
Sept	70-16	70-26	70-13	70-03
Dec	70-00	70-11	69-26	69-21
March	69-22	69-30	69-22	69-09
June	69-13	69-20	69-13	68-31
Sept	69-08	69-10	69-03	68-23
Dec	69-00	69-06	68-29	68-17
March	—	—	—	68-12
June	—	—	—	68-07
Sept	—	—	—	—
Dec	—	—	—	—

MONEY MARKETS

Trading still very nervous

UK clearing bank base lending rate 11 per cent (since January 12 and 13)

Trading was again very nervous in the London money market yesterday. Conditions were a little calmer during the afternoon but the market became very tense earlier in the day when sterling approached the $1.57 level against the dollar. This was reflected in the Bank of England's morning bills operations where some houses sold bills at 11¼ per cent up from 11 per cent. All bills in the afternoon changed hands at 11 per cent, however. Interest rates were a little firmer all round although today's starting levels will probably be a little below last night's close. Overnight money in the interbank market opened at 11¼-11½ per cent and eased to 10-10½ per cent before rising to 11½-12 per cent after the Bank's afternoon help. Rates slipped away, however, to touch 9½-10 per cent before finishing at 10-11 per cent.

The Bank forecast a shortage of around £400m although this was revised later in the day to £450m. Assistance in the morning of £291m comprised purchases of £16m of eligible bank bills in band 1 (up to 14 days) at 11-11¼ per cent and in band 2 (15-33 days) £124m at 11-11¼ per cent. In band 3 (34-63 days) it bought £45m of eligible bank bills at 11 per cent and in band 4 (64-91 days), £5m of Treasury bills, £4m of local authority bills and £97m of eligible bank bills (64-84 days) all at 11 per cent.

Further help was given in the afternoon of £89m, making a grand total of £380m. The afternoon assistance comprised purchases of £5m of Treasury bills, £3m of local authority bills and £48m of eligible bank bills in band 2 at 11 per cent and in band 3 £7m of Treasury bills and £24m of eligible bank bills at 11 per ceit. In band 4 it bought £2m of eligible bank bills at 11 per cent.

In Amsterdam the Dutch central bank reduced its discount rate to 4.5 per cent from 5 per cent and the secured loan rate to 5 per cent from 5.5 per cent.

LONDON MONEY RATES

Jan. 13 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight........	—	9½-12	—	—	—	10⅝-11½	9½-11⅛	—	—	—
2 days notice...	—	—	11¼-11⅜	—	—	—	—	—	—	—
7 days or.........	—	—	—	—	—	11⅜	—	—	—	—
7 days notice...	—	11½-11½	11¼-11⅝	—	—	11⅞-11⅛	10¾-11⅛	—	—	—
One month......	11¾-11½	11⅜-11⅝	11½-11⅝	11¼-10⅞	11⅝	11⅞-11⅛	11	11⅛-11¼	11⅛	11⅛
Two months....	11¾-11⅛	11¾-11⅞	11½-11⅝	11⅛-10¾	11⅛	11⅞-11⅛	11	11⅛ 11¼	11⅛	11⅛
Three months.	11¾-11⅛	11¾-11⅞	11⅝	11-10⅝	11⅛	—	10¾-11	11⅛ 11¼	11⅛	11⅛
Six months	11⅛-11⅛	11⅞-11⅝	11½	11¾-11⅝	11⅝	—	—	—	10⅞-11⅛	11⅛
Nine months...	11⅛-11⅛	11⅝-11⅜	—	11⅞-11½	11⅝	—	—	—	—	—
One year	11⅛-11⅛	11⅝-11⅜	11⅜-11½	11⅞-11⅛	11½	—	—	—	—	—
Two years.	—	—	11¼-12	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 8 1982 to January 4 1983 (inclusive): 10.833 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 12-12¼ per cent; four years 12¼-12⅜ per cent; five years 12⅜-12½ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 11⅛ per cent; four months trade bills 11⅜ per cent.

Approximate selling rate for one month Treasury bills 11 per cent; two months 11 per cent and three months 11 per cent. Approximate selling rate for one month bank bills 11⅛-11⅛ per cent; two months 11⅛-11⅛ per cent and three months 11⅛-11⅛ per cent; trade bills 11⅝ per cent; two months 11⅝ per cent and three months 11⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10½ per cent from January 1 1983. London and Scottish Clearing Bank Rates for lending 10-10¼ per cent. London Deposit Rates for sums at seven days' notice 7-8 per cent.

Treasury Bills: Average tender rates of discount 9.8318 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11¼ per cent; one-three-month 11¾ per cent; three-12-month 11¾ per cent. Under £100,000 11½ per cent from January 14. Deposits held under Series 3-5 11¾ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES

(Market closing rates)

Jan. 13	Short term	7 days notice	Month	Three Months	Six months	One Year
Sterling........	11⅛-11⅜	11-11⅛	11⅝-11¾	11⅝-11¾	11½-11⅝	11½-11⅝
U.S. Dollar....	8⅞-9⅛	8¾-9	8⅝-8⅞	8⅝-8⅞	8⅞-9⅛	9⅛-9⅜
Can. Dollar....	10¾-11	11-12	10¼-10⅝	9⅞-10⅛	9¾-10	9¾-10
D. Guilder	5-5¼	5-5¼	5-5¼	4⅞-4⅞	4⅞-4⅞	5⅛-5⅛
S. Franc	¾-1	¾-1	1⅞-2	2½-2⅝	3-3⅛	3⅛-3¼
Deutschm'rk	5⅛-5⅛	5⅛-5⅛	5⅛-5⅛	5¼-5⅜	5¼-5⅜	5⅜-5½
Fr'nch Franc	12½-13½	14½-15½	18½-19½	21-22	20-20¾	18¼-19¼
Italian Lira..	17-20	19½-21½	20⅜-22⅜	22⅞-23⅞	22½-23½	22-23⅛
Belg. Franc...						
Conv...........	11¼-12⅛	12-16	14-16	13¾-14¾	13½-14½	12½-13½
Fin..............	12-12½	12¼-12½	12¼-12⅝	12⅛-12⅛	12¼-12⅜	12⅛-12⅜
Yen	6⅜-6½	6⅜-6½	6⅛-6⅛	6⅜-6½	6¼-6⅝	6⅛-6⅛
D. Krone......	17⅝-18⅛	18½-19	19½-20	19⅜-19⅞	18¼-18¾	17⅞-18⅜
Asia $ (Sing.)	8½-9⅛	8⅞-9	8¾-8⅞	8¾-8⅞	8⅞-9	9⅛-9¼

FT LONDON INTERBANK FIXING

(11.00 a.m. JANUARY 13)

3 months U.S. dollars		6 months U.S. dollars	
bid 8 15/16	offer 8 15/16	bid 8 15/16	offer 9 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)...	8¾-8⅞
Treasury bills (13-week)	7.62
Treasury bills (26-week).	7.70

GERMANY

Lombard	6.0
Overnight rate	5.60
One month	5.825
Three months	5.675
Six months	5.525

FRANCE

Intervention rate	12.5
Overnight rate	12.75
One month	12.625
Three months	12.50
Six months	12.3125

JAPAN

Discount rtaa	5.5
Call (unconditional)	6.65625
Bill discount (3-month)	6.90625

SWITZERLAND

Discount rate	4½
Overnight rate	¾-1¾
One month	1¹⁵⁄₁₆-2⅛
Three months	2½-2⅝

NETHERLANDS

Discount rate	4½
Overnight rate	5-5¼
One month	5-5⅛
Three months	4¾-5
Six months	4¾-5

$ CERTIFICATES OF DEPOSIT

One month	8.40-8.50
Three months	8.45-8.55
Six months	8.55-8.65
One year	8.90-9.00

LONG TERM EURO $

Two years	10⅛-10½
Three years	10¾-11
Four years	11¼-11½
Five years	11½-11¾

SDR LINKED DEPOSITS

One month	9-9¼
Three months	9⅛-9⅛
Six months	9⅛-9⅛
One year	9⅛-9⅛

ECU LINKED DEPOSITS

One month	10⅛-11⅛
Three months	11⅛-11⅛
Six months	11⅛-11⅛
One year	10⅛-11⅛

A FINANCIAL TIMES SURVEY

International Capital Markets

MARCH 14 1983

The Financial Times is proposing to publish a survey on International Capital Markets in its issue of March 14 1983. The provisional editorial synopsis is set out below.

INTRODUCTION International capital markets entered a new era during 1982 with the insolvency of several leading international borrowers and a marked decline in interest rates. This produced a sharp contraction in the euro-credit market and one of the best ever years for international bonds. How will the markets cope in 1983?

Editorial coverage will also include:

The outlook for the world economy

The U.S. credit markets

The eurocredit market and the outlook for 1983

A look at the major international bond markets

The role of major official institutions in helping to sort out international debt problems

The prospects for offshore banking centres

Export credits

For further information and advertisement rates please contact:
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Telex: 885033 FINTIM G

The size, contents and publication dates of surveys appearing in the Financial Times are subject to change at the discretion of the Editor.

LEGAL NOTICES

In the Matter of Companies Act 1948 and in the Matter of
DENNIS FASHIONS LIMITED
Regd. Office: 423 Alexandra Avenue, Harrow, Middlesex.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act. 1948 that a Meeting of the Creditors of the above-named Company will be held at Kings Head Hotel, High Street. Harrow, on 20th January 1983 at 11.30 am for the purposes mentioned in Sections 294 and 295 of the said Act.

By Order of the Board
M. MICHAEL, Director

Dated this 6th day of January, 1983.

IN THE MATTER OF COMPANIES ACT 1948 AND IN THE MATTER OF RUNGROVE LIMITED
Regd. Office: 423 Alexandra Avenue. Harrow, Middlesex

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act. 1948 that a Meeting of the Creditors of the above-named Company will be held at 423 Alexandra Avenue, Harrow, on 25th January at 11.30 am for the purposes mentioned in Sections 294 and 295 of the said Act.

Dated this 7th day of January 1983.

By Order of the Board
S. A. GEORGALLIS
Director

IN THE MATTER OF NORA BRADLEY (LONDON) LIMITED AN IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 15th January 1983, to send in their full names, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Susan Jerman of 87/135 Brompton Road, London SW1X 7XL, the Liquidator of the said Company, and if so required by notice in writing from the said Liquidator, are personally, or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 23rd day of December 1982.

S. JERMAN,
Liquidator.

J. J. HALPIN (HAULIERS) LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act. 1948, that a Meeting of the creditors of J. J. Halpin (Hauliers) Limited, will be held at The Connaught Rooms, Great Queen Street, London WC2, on Friday the 21st day of January 1983 at 11.30 o'clock in the forenoon, for the purposes provided for in Sections 294 and 295.

Dated the 7th day of January, 1983.
B. G. BEAL, Director

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CRANE KALMAN GALLERY, 178, Brompton Rd., SW3. 01-584 7566. MODERN BRITISH PAINTINGS: John, Lowry, Nicholson, Sutherland, etc. Mon.-Fri. 10-6; Sats. 10-4.

FIELDBORNE, 63, Queens Grove, NW8. 01-586 3600. LARGE LANDSCAPES & TOWNSCAPES. Lr. gallery Scottie Wilson. LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572/3. CONTEMPORARY PAINTINGS ON VIEW. Mon.-Fri. 10-5 and Sats. 10-12.45.

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